

OCTOBER 20, 1933

OCT. 23 1933



The Magazine for
MARKETING EXECUTIVES

SALES *management*

**Setting Price Policies
to Protect Profits
Under NRA Costs . . .**



**Where Will Liquor
Be Advertised After
December 7th? . . .**



**A Plan for Checking
and Testing Newspaper
and Mail Advertising**

TWENTY CENTS

You can't tackle Buffalo

as you do any other
city of comparable size

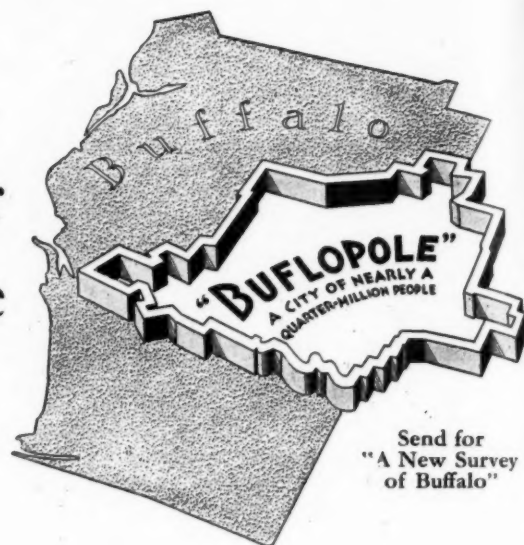
THERE'S no mystery about selling successfully in Buffalo. But you can make one fatal error. That's when you assume you can tackle Buffalo as you do any other city of comparable size. It can't be done. Not without leaving a great big gap in your expected sales total.

Buffalo is not one market—but TWO. Separate and distinct. Actually two cities—BUFLOPOLE and its neighboring city of Buffalo. There are no sign-posts to tell you where one city leaves off and the other begins. They are side by side geographically. But they are miles apart in their language, their thinking, their reading, AND THEIR BUYING.

There are *236,714 residents in BUFLOPOLE—they make up 40% of all the families in the Buffalo area. Each of them was either born in Poland or is of direct Polish descent. They have one religion—one mother tongue. Their own 45 churches. Their own colleges and 43 schools where every child is taught Polish. Their own social life revolves around their own clubs, libraries and societies. They do their own trading at their own 3,000 retail stores where Polish is the language of trade.

How much business can this market produce for you? Or to put it another way—how much business will you fail to get if you ignore BUFLOPOLE? Here's what would happen to Borden's Condensed Milk sales. Pulling out of BUFLOPOLE would reduce their present volume in the Buffalo area 60%. They'd have left only 40%. Maytag Washer would have only 10% left. Rinso—28%. And there would be a correspondingly high loss for such people as Colgate, Squibbs, Pond's—for in every drug survey we make the national leaders are always in the best selling classifications.

*Buflopole proper—172,670.
Immediate vicinity—64,044.



Send for
"A New Survey
of Buffalo"

Yes, you can stock BUFLOPOLE retailers. You can advertise in the English speaking press. But your product won't move because you're not reaching BUFLOPOLE readers.

There is one paper and only one that even pretends to cover BUFLOPOLE. That paper is BUFLOPOLE'S own paper—EVERYBODY'S DAILY. Printed in their own Polish language, it goes right into the hearts and homes of 90% of BUFLOPOLE'S people. They devour it from cover to cover because it is about them, their doings and their own motherland. And if you don't believe it you have only to ask those BUFLOPOLE merchants who depend on EVERYBODY'S DAILY to cover this market which they must sell to live. Kobacker's will give you some sales figures that will open your eyes. So will Erions, Sattlers and dozens of other live merchants.

If you are running a schedule in Buffalo now and EVERYBODY'S DAILY is not on the list, 40% of your market is not being reached. You won't get their business. Adding EVERYBODY'S DAILY won't cost much. And it will add this market which you cannot talk to, cannot sell in any other way.

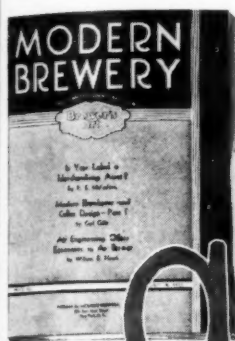
Our national representatives have some pertinent, up-to-the-minute data on BUFLOPOLE which you should see without delay. If more convenient for you we shall send you a rounded-out story upon request. Write us today.

National Representatives:
Small, Spencer, Brewer, Inc.
Chicago, New York, Boston

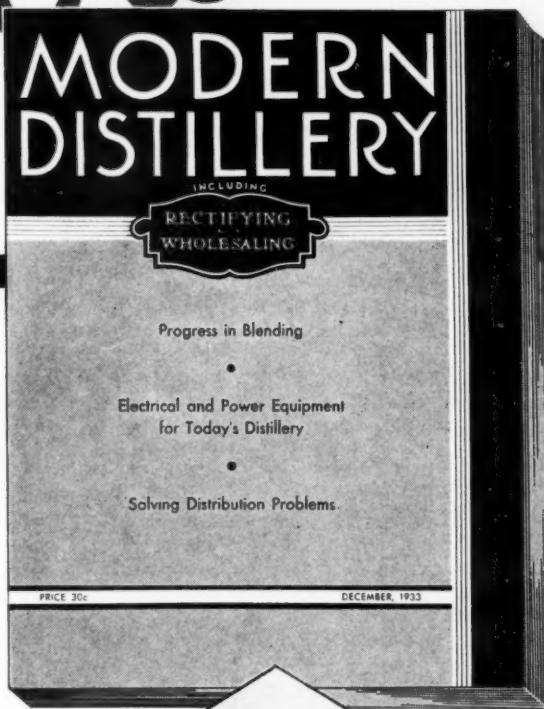
POLISH

EVERYBODY'S DAILY

Belongs on every newspaper list for cities over 250,000



and now



Opportunity Knocks Again

Just a year ago MODERN BREWERY was announced. Those advertisers who used it early well know the tremendous buying response of a "revival" market . . . the advantage of being in on the ground floor.

Now opportunity knocks again. The publishers of MODERN BREWERY here announce its companion publication, MODERN DISTILLERY. Again you are offered ground floor advantage in selling a "revival" industry.

MODERN DISTILLERY, built to the same high editorial standards, completely covering all phases of the industry . . . distillers, wineries, rectifiers, wholesalers, importers . . . is ready to serve. Those who have capitalized the brewing revival through MODERN BREWERY need no second invitation—and a combination rate is provided.

Write or wire today. Get full details on MODERN DISTILLERY and the field. Prepare to get *new and immediate business*.

Special

A limited number of advance "dummy" copies of MODERN DISTILLERY together with a field prospectus have been prepared for immediate distribution to those now interested.

Write or Wire today

MODERN DISTILLERY

205 East 42nd Street, New York City
333 North Michigan Avenue, Chicago

MODERN BREWERY

MODERN DISTILLERY

Modern Distillery, Inc.
205 E. 42nd Street,
New York, N. Y.

Please rush us advance dummy copy of Modern Distillery with field prospectus. We understand this entails no obligation on our part.

Name _____ Title _____
Company _____
Address _____
City _____ State _____

Your Letterhead Must Accompany This Coupon



Smoking Average

"Twenty-one out of 23 of the world-champion Giants smoke Camels," announced R. J. Reynolds Tobacco Company in full pages in newspapers October 9—with a photograph of all 23 and enlarged insets of and favorable quotations from such now-celebrated gentlemen as Bill Terry, Giants' manager; Carl Hubbell, who pitched two series victories; Mel Ott, who drove in the winning run; "Blondy Ryan," fielding star, and Harold Schumacher, pitcher.

Among the Giants, the SM sporting editor reports, Camels' batting average therefore was 900-and-something. We were curious to learn, though, from William Esty of William C. Esty & Company, handling Camels' advertising, who the surviving two Giants were—why they did not smoke Camels, and whether they did not smoke at all. Mr. Esty was reluctant to tell.

He admitted, though, that his agency's ability to predict the outcome and the stars of the series was even higher than Camels' coverage of the Giants. This full-page ad was written and in the hands of the newspapers before the series started. The Esty people were convinced, he said, that the Giants would win the series; they were quite sure that the five given special emphasis in the ad would distinguish themselves. As it happened, four of the five did. Only Schumacher failed to measure up to the others.

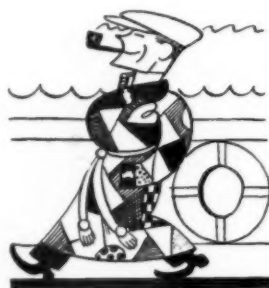
There was another slight miscalculation in the length of the series. The Esty people expected it to go six games, the Giants winning four, the Senators two. That would give them a nice Monday play. They were prepared to wire release to newspapers whenever the series ended, however, so that the ad would appear almost before the final stories of the sports writers were in. The Saturday conclusion threw this program off a bit. The Esty people didn't want their full page to run against competition of all the other ads in Sunday newspapers, so they held it over till Monday.

Crazy Patches, Climbing Profits

A wealthy gentleman of waggish spirit called upon a manufacturer of very high-grade men's robes, explained that a friend was sailing for Europe and he wanted to send him a sort of burlesque bon voyage present. He wanted, therefore, a loud and funny "crazy quilt" dressing gown.

The manufacturer demurred. It would have to be considerably more expensive than his usual line, because the silks would have to be specially purchased and then sewn together by hand. "Hang the expense," said his client. "Make it!"

When the liner's whistle blew on sailing day the gift was waiting in the voyager's stateroom, resplendent in white and silver wrappings. Eventually it was opened. The donee was a bit puzzled, but thought the robe was swell. He wore it on board. Someone saw it, asked "where on earth" he had found it. Expressed a wish to own one like it.



First one order, then another, trickled back to the astonished manufacturer's office. He made a second robe. A third. A fourth. Then he cautiously showed one of them to some of his trade. When the season ended he had sold 200 dozen at a profit substantially higher than he gets on his regular line. He says he must unwittingly have answered that suppressed desire every man feels now and then to break out into mad, mad raiment.

Devil Takes the Hindmost

The retail men's clothing business is likely to be pretty dull in the summer. But D. E. Love, manager of the Bond Clothing Store of Detroit, had some excellent values in flannel trousers and he wanted to move the stock before the cold weather came along.

Since flannel trousers sell for only \$5 or \$7.50 a pair, the salesmen, who work on commission and who are at least fairly good at figures, had been neglecting the flannel trouser line and concentrating on selling suits.

Mr. Love therefore announced a jackpot. He personally contributed \$6.50 and asked each salesman to contribute a dollar, making a total of \$12.50. The idea was that the salesman who sold the most flannel trousers during the period of a contest would receive a bonus of \$10 and the second high man would get \$5.

Aware that the jackpot contained only \$12.50, the men asked where the other \$2.50 was coming from.

"That," said Mr. Love, "will be contributed by the low man in the contest!"

Did those salesmen sell flannel trousers? They did. They suggested flannel trousers to everyone who came within a fifty-foot range of the store—even the postman. The winner won because, in addition to using the power of suggestion, he went outside the store on his own time and got orders for seventeen pairs.

"We sold more flannel trousers than ever before in the history of the store," Mr. Love commented. "We sold over three times as many as during the corresponding period of last year."

Then he added, "And the low man in the contest—the one who got stuck for the \$2.50—was our star clothing salesman. He had difficulty in forgetting the fact that he was a star salesman; he thought his time was too valuable to spend in selling flannel trousers at \$5 and \$7.50. If his time had been fully occupied with selling suits and coats I would have agreed with him, but under the circumstances I thought he might as well add to his volume by selling flannels during his spare moments."

Wanted: Unemployed, Willing Engine

George T. Franck, president of the Citrus Soap Company of San Diego, got a phone call from his plant superintendent a couple of weeks ago, saying one of the big boilers which supplied power to one of the factory production units had broken down.

Repair men said it would take several weeks to get it in working order.

The company had just embarked on an extensive marketing campaign; the factory was loaded with orders. To wait for the reconditioning of the bad boiler would mean that deliveries would be set back at a critical time.

Perturbed, Mr. Franck strode up and down his office, wondering what to do. He walked to the window. Below, trucks were loading cases of soap and a switch engine was busy shunting freight cars on the factory sidings.

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995 places to *sell more goods*

TO measure the advertising effectiveness of any magazine, you must measure it—NOT BY TRADITION—but by its coverage of the important markets and its interest to people.

The American Weekly will sell more goods per advertising dollar than any other magazine for the simple reason that it is regularly read by the most families in the master markets at the lowest cost per family reached.

These master markets are the 995 key cities of 10,000 population and over, and the people in them account for 70% of all national retail sales. Of The American Weekly's more than 5,000,000 circulation, 76% or 3,883,884 copies are sold in these key cities.

From these centres come 81% of the income tax returns. Within their corporate limits are sold 70% of all drug products, 73% of all grocery items and 86% of all wearing apparel.

The great chain stores who count and clock before they open stores concentrate right here.

The gasoline filling stations get 74% of their gallonage in these cities. The food chains do 76% of their business here. The variety chains rely upon them for 89% of their sales. While the drug chains secure 97% of their volume from these master markets.

And these 995 cities are the stronghold of The American Weekly.

In 529 of these key cities The American Weekly

reaches a minimum of one out of every five families, while the next largest weekly magazine gives 20% or better coverage in only 195 of these important cities.

In 169 of these 529 cities, The American Weekly reaches 20 to 30% of all the families.

In 157 more cities it reaches 30 to 40%.

In 110 more cities it reaches 40 to 50%.

And, finally, in 93 of these key cities it actually reaches better than one out of two of all the families.

No other magazine in the world can boast such circulation or such key market coverage.

No other magazine in the world will carry your advertising messages at such a low rate per family reached.

For \$16,000 each you can buy one or a series of great color pages in The American Weekly and send your sales message forth into more than 5,000,000 homes located in the rich key markets at the rock bottom cost of less than $\frac{1}{3}$ cent per home.

That is why the list of important advertisers who use The American Weekly regularly continues to lengthen and grow.

That is why The American Weekly has leaped ahead from ninth to second place among the great national magazines in volume of advertising lineage carried in seven brief years.

Tradition dies hard but it cannot stand long against superior performance.

Where can you spend your advertising dollar more effectively?

ASK FOR THE WHOLE STORY

Additional facts concerning market values and business opportunities as indicated are available in a presentation entitled "People and Money—and Profits." This will gladly be shown to manufacturers and advertising executives upon request.

THE AMERICAN *Greatest Circulation in the World* WEEKLY

"The National Magazine with Local Influence"

Main Office: 959 Eighth Avenue, New York City

Branch Offices: PALMOLIVE BLDG., CHICAGO . . . 5 WINTHROP SQUARE, BOSTON . . . 753 BONNIE BRAE, LOS ANGELES . . . 222 MONADNOCK BLDG., SAN FRANCISCO
11-250 GENERAL MOTORS BLDG., DETROIT . . . 1138 HANNA BLDG., CLEVELAND . . . 101 MARIETTA ST., ATLANTA . . . 1270 ARCADE BLDG., ST. LOUIS

SALES management

Vol. XXXIII. No. 9

October 20, 1933

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EDITORIAL STAFF: RAY BILL, Editor; A. R. HAHN, Managing Editor; LAWRENCE M. HUGHES, News Editor; M. E. SHUMAKER, Desk Editor.

ASSOCIATE EDITORS: D. B. BAIRD, Detroit; L. R. BOWLE, Marketing; LESTER B. COLBY, Chicago; MAXWELL DROKE, Sales Letters; FRANKLIN JOHNSTON, Export Selling; HERBERT KERKOW, Industrial Selling; R. S. MCFADDEN, Product Design; RAY B. PRESCOTT, Statistical Analysis; C. R. TIGHE, Radio Broadcasting; R. E. SMALLWOOD, Premiums.

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In a flash came a thought. A locomotive could furnish plenty of steam. Why not get a locomotive, hook up its boilers to the steam line of his factory unit and thus keep production at the peak until the boiler was fixed?

Mr. Franck called a high official of the San Diego & Arizona Railroad on the telephone. There was no precedent for using a railroad engine as a commercial steam plant, and there were lots of reasons why it "couldn't be done." But Mr. Franck won.

A locomotive was driven onto the siding and soon the disabled production unit was functioning. Orders went out on time.

Flash: Milkman Flouts Cow for Tomato

As he sat at meals in a hotel dining room or cafe, W. J. Kennedy, who heads a dairy company of the same name in Detroit, observed the amazing frequency with which waiters appeared with trays of tomato juice.

"If tomato juice is so popular in dining rooms, why isn't a larger volume of it being sold to homes?" mused Mr. Kennedy.

And, furthermore, what better distributing organization could one find than a dairy company?

Mr. Kennedy took a new interest in tomato juice. He learned about vitamins, sources of supply, costs, and methods of handling and distributing. Then he arranged for a packer to supply tomato juice in large quantities and proceeded to sell his milk customers on the merits of Kennedy's Sun-Ray'd tomato juice, delivered to their homes every morning by the milkman.

He buys the product in No. 10 cans at 25 cents a can and transfers it to regular milk bottles which sell at 15 cents a quart (that's 50 per cent higher than pasteurized milk), 10 cents a pint or six cents a half-pint. This gives him a profit of 20 cents on every three quarts, if sold by quarts, and an even larger margin on the smaller bottles.

In May, the first month, he sold 12,573 quarts, 2,781 pints and 1,376 half-pints. Since then volume has been growing very nicely. Mr. Kennedy says he's in the tomato juice business to stay.

Even Motorists "Got Sensitive Feelin's"

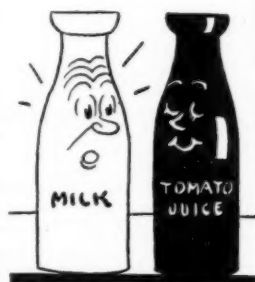
In studying more intensively the wants of the consumer, and particularly the various avenues of contact the company had with consumers, Shell Oil Company executives hatched the hunch that a good many persons were finding their aesthetic senses offended by the blatant red and yellow colors of Shell service stations.

So they asked consumers about the matter. They found they were right.

To solve the problem they consulted with artists and doctors and psychologists and physiologists, and found that the brightness of the reds and yellows they had been using actually affected the nerves of the retina of the eye in the same way that the flicker in the old-time movies did.

"Our solution," says Paul Ryan, manager of the sales promotion and advertising department, "was this: we retained the advertising value of these red and yellow colors by putting them on those objects which the consumer sees at a distance; that is, hang-out signs, lamp-posts and other items on the street edge of our property. But we painted the service stations in a neutral tone with a slight trim of red and yellow, because the building at the service station is close to the eyes of motorists. The result is that our customers are now commenting upon the beauty of our corners."

We wish someone would do something about rural railroad stations, too. Perhaps they wouldn't induce such a deep melancholy if they didn't so directly suggest that traveling on a train is a dirty procedure.



Significant Trends

As seen by the editors of *Sales Management* for the fortnight ending October 20, 1933:

Test Period Now Coming

We are reminded, in hearing the pessimistic talk about the failure of NRA and other new-deal plans to accomplish sudden miracles, of the recent convention of leading members of an important nationwide industry. Every man seemed to have complaints or fears which he registered volubly, but when the chairman asked for a show of hands on this question, "Do you prefer things as they are, or would you rather go back to conditions as they were before NRA?" not a single executive said he wished it were possible to go back.

• • • Too much was expected of NRA, and too quickly, but there is improvement, it is widespread, and it looks permanent.

• • • From the low point of business activity reached in March this year, the value of production (as measured by the Federal Reserve Board's adjusted index multiplied by the Bureau of Labor price of non-agricultural commodities) had increased 64.5 per cent through September. Manufacturing payrolls in the same period, also corrected for seasonal variations, rose 49.2 per cent. Improvement is evident in all sections, but, as is always true, the upturn in some sections greatly outruns that in others. The Brookmire Economic Service, after a study of national conditions, lists the following cities as having the best sales prospects for immediate business: Akron, Baltimore, Buffalo, Fall River, Milwaukee, New Bedford, Peoria, Pittsburgh, Rockford, Toledo, Trenton, Worcester, Youngstown.

• • • Fifty-five, or 42 per cent, of the "Bright Spot" cities (which will appear in *SALES MANAGEMENT* November 1) are located in the South.

• • • The best news of the fortnight was the announcement of the Government plan designed for the rehabilitation of banks and the thawing of deposits in closed banks. Solvency rather than liquidity will be emphasized by Washington officials and this should go a long way toward making bankers more willing to finance business extension.

• • • One of the most important national problems is the stimulation of capital goods industries. The minimum wage and employment drives have helped consumption industries—but they were the ones which have stood up best since 1929. Bankers have quite naturally hesitated over making long-time loans for capital improvement. Government officials now indicate a disposition to furnish capital loans to private industries to create more immediate buying in those lines.

• • • The Irving Fisher wholesale index of all commodity prices stands at 71.1 per cent of the 1926 normal and the purchasing power of the wholesale dollar has declined from 181 to 140.7.

• • • December wheat dropped in three months from \$1.24¾ to \$.69⅞, and cotton is selling for less than the government offers as a loan.

The State of Business

The declining tendency continued through the first half of the month, but with definite signs of stabilization, and a gradual moderate improvement through November and December seems probable. The September index of general business was well above last year and above August, but the upturn did not reach normal seasonal proportions.

• • • The sign posts along the way are marked currently as follows:

Bank Debts: For September were 103.8 per cent of 1932 as compared with 105.3 in August. For the first two weeks in October the gain over last year was approximately 2 per cent.

Steel Production: Strikes and price uncertainties have helped to hold production down to 40-44 per cent of capacity. Unfilled orders of the U. S. Steel Corporation as of September 30 hit a new all-time bottom. The NRA Steel Code now puts a penalty on consumers who place orders and then cancel them.

Car Loadings: The total for all carriers during the week ended October 7, coal shipments excluded, reached a new peak for 1933, with the best gains among roads serving the West and Middle West. Strikes held coal shipments to a low point.

Construction: Heavy construction awards increasing as the Public Works program gets under way. First half of 1934 should show highest building figures in more than two years.

Department Store Sales: The value of sales for September was 2 per cent greater than last year, with Cleveland showing an increase of 16 per cent, Philadelphia 13, and Chicago 5. The NRA "Buy Now" drive started off auspiciously in the larger cities.

Lumber Production: The lumber specifications for the 1,466 winter camps to be built for the Conservation Corps workers made an order considerably greater than the entire weekly output of all the lumber mills in the United States at the present rate of production.

Automobile Output: September production of makers, exclusive of Ford, totaled 139,153 cars and trucks, compared with 173,172 in August and 47,897 in September, 1932. October production is estimated at 125,000 to 145,000.

Electric Consumption: Remains steady with an average gain of 7 to 10 per cent over last year.

Business Failures: The Dun & Bradstreet report for September shows only 1,116 failures, involving \$21,846,000, as compared with 2,182 failures in the same month last year, involving \$56,127,000.

• • • Apart from public works allotments and funds for railroads, low-priced multiple housing appears to be more and more in line for governmental financing on a sizable scale. Slum clearance in the big cities is both a social and an economic benefit, and large developments are getting under way in New York and other large cities. These projects are the "white hopes" of construction during coming months.

The Consumer Is Buying

same month last year, and 51,740 in September, 1931. Sales to consumers were greater by 4,000 cars than the shipments to dealers—a healthy trend.

• • • The Chrysler Corporation reports that in the week ending September 30 their domestic dealers sold 13,300 new automobiles to the public—a total almost double the sales for the best week in the peak year of 1929. The week's figures set a new all-time high in weekly sales for Chrysler.

• • • Hudson's sales record for September showed an increase of 43.1 per cent over last year; Oldsmobile sales jumped 91.5 per cent; Packard's dollar volume was the largest of any month in more than two years; Plymouth's sales for the last week in September were 414.6 percent greater than the same month last year.

• • • Chain store company reports for September show fairly general gains: F. W. Woolworth Company, +11.2 per cent; J. C. Penney Company, +24.7; Melville Shoe Company, +29.3. Dollar volume in the food chains lagged. A & P, for example, had a dollar decline of 4.6 per cent and a volume drop of 8.7 per cent.

• • • Sales of radio sets improved during the summer, contrary to the established seasonal trend, and estimates prepared by the trade authority, *Radio Merchant*, indicate that for the last three months of the year unit sales will show an increase of from 40 to 60 per cent over last year, with dollar sales increasing still more because the makers are selling better sets and at higher prices.

• • • As an example of the upward trend in radios, Majestic shipped 51,000 sets in September and enjoyed the best month since 1931.

• • • The monthly reports from Federal Reserve Districts of department store and wholesale trade show continued gains in dollar sales and only a slight increase over recent months in volume of stocks on hand. The fear expressed in mid-summer that production was greatly overrunning consumption appears now to have been groundless. Latest detail reports showing comparisons of sales and stocks in August compared with August last year are as follows:

F. R. District	RETAIL TRADE		WHOLESALE TRADE			
	Dept. Sales	Stores Stocks	Groceries Sales	Dry Goods Stocks	Drugs Stocks	Stocks
Boston	+18.0	—	—	—	—	—
New York ..	+ 8.6	+12.3	+29.7	+46.5	+25.4	+ 1.4
Philadelphia	+15.5	+ 2.8	+19.9	— 7.6	+58.3	+ 0.3
Richmond ..	+20.8	+18.9	+18.4	+13.0	+28.6	+101.3
Atlanta	+23.6	+ 0.1	+ 9.4	+ 0.8	— 5.0	+28.7
Cleveland ..	+40.2	+ 1.4	+18.3	— 5.5	+51.8	+12.5
Chicago	+29.3	+ 5.7	+ 5.5	+ 5.6	+24.8	— 7.0
Minneapolis	+13.0	+ 1.0	+11.0	+12.0	—	—
St. Louis ..	+22.0	+ 1.4	+19.0	+ 3.0	+14.5	+61.0
Kansas City	+21.6	+ 0.8	+12.4	— 3.7	+ 4.8	+12.5
Dallas	+27.0	+ 9.5	+ 8.9	+30.1	+ 4.2	+54.2
San Francisco	+ 1.8	— 1.2	+ 6.7	—	+23.4	— 1.3
Average ..	+20.1	+ 4.8	+14.5	+ 9.4	+23.1	+29.4

The above average is one of percentages, and one of the schoolboy lessons we remember is that percentages can't be averaged. True, they cannot produce an exact average, but we believe the above shows the trend—and that with the exception of wholesale dry goods, sales are increasing more rapidly than stocks on hand.

General Motors sales of automobiles to consumers in this country during September totaled 71,458 as compared with 34,694 in the

G.E. Orders Up 70 Per Cent

and for the first nine months were 11 per cent better than last year.

General Electric Company's orders for the third quarter were 70 per cent greater than the same period last year,

• • • The highest previous total for highway construction in any fiscal year was \$1,680,000,000 in 1930. According to a check-up made last week by General Motors Corporation, the expected expenditures between July 1, 1933, and July 1, 1934, will reach nearly \$2,000,000,000.

• • • Sales of rayon in September were, with four exceptions, the largest for any month on record and stocks in producers' hands are at the lowest point in the history of the industry—less than one week's supply.

• • • A recent SM editorial predicted that increased labor costs under NRA would result in an era of super-mechanization. Now comes the Union Special Machine Company of Chicago with a chart showing how one garment maker solved the problem of a 25 per cent increase in labor costs. He ripped out his old machines and installed faster ones, which brought costs back to the pre-NRA level.

• • • September hotel sales in Chicago increased 146 per cent over last year, 40 per cent in Washington, and 1 per cent in New York. The percentage of occupancy in the hotels of the country was nearly 10 per cent greater than last year, but room rates are down 8 per cent.

• • • Credit expansion seems to be gathering momentum. A fortnight ago the weekly gains averaged \$35,000,000; last week Federal Reserve Bank loans to trade increased \$61,000,000.

• • • A survey made by the 1,500 field representatives of the International Business Machines Corporation indicates that during September every section experienced an increase in retail trade, and that, while industrial production was unchanged from August levels, consumption made the most widespread gain since the business improvement commenced in April.

• • • Commissioner Eastman has approved the proposed experiment of the Pennsylvania Railroad to inaugurate a store-door pick-up and delivery service at all points touched by its system. The New York Central Lines bitterly protest the decision on the ground it will enable one carrier to enter another's area.

• • • We worry over censorship and other forms of Government control here, but how would you like to be in Germany where a recent decree makes the Minister of Propaganda a dictator over what may be advertised in the country and who may advertise?

• • • The thirteen Shippers Regional Advisory Boards estimate that the final quarter of the year will see an increase of nearly 15 per cent in carloadings compared with the same period last year. The largest estimated increases are ore concentrates, 307 per cent; iron and steel, 50.4; automobile, 49.5; machinery, 24.2; cotton, 23.7; brick and clay products, 22.5.

Pricing Goods to Protect Profit Under NRA Costs

AS the full effects of rising costs under the NRA begin to be felt, the ancient problem of sales and distribution costs bids fair to become more perplexing than ever.

"We have been making," complained a manufacturer of small wares to me, "a modest profit for years, but with the higher wages and shorter hours of the NRA Code, we now make virtually nothing. And I cannot understand why; we have added to our old prices the amount of our increased costs; we maintain as before a sales and advertising cost slightly under the average for our industry, and we are doing more volume as business improves. What is the answer?"

The Percentage-of-Sales Snare

Examination of that gentleman's figures revealed an original factory cost of \$5 per unit and an original selling price of \$10, with sales and advertising expense at 15 per cent of sales. Since August 1, 1933, factory costs increased \$2 per unit and that amount was added to the former selling price, making the new selling price \$12.

(The reader is specifically asked to bear in mind that the President's Re-employment Agreement directly specified that costs were not to be increased "more than the actual increase to the manufacturer." The illustration cited is based upon the assumption that the law was obeyed, not violated by following old customs.)

Seemingly profits should have been the same as before, in dollars at least, but actually they declined some 35 per cent. Nothing so well demonstrates the uselessness of the widely used percentage control methods as do the figures submitted by this manufacturer. And nothing so well shows as do those figures that manufacturers, wholesalers and retailers must discard completely the practice of measuring sales and advertising costs in percentage of dollar sales. The misleading effect of that practice is visible



Part I of an article in two parts

BY

ALLEN W. RUCKER

President, The Eddy-Rucker-Nickels Company, Marketing Counsel, Cambridge, Massachusetts

Many firms have added to their old retail prices the amount of increased cost - to - make under NRA codes, but are puzzled to find they are losing money. This writer contends that the trouble arises out of computing sales cost as a percentage of total sales rather than of gross margin. Agree or not, you'll find his theory worthy of careful study.

from the following figures of the small wares manufacturer:

	Before NRA Code \$10.00	After NRA Code \$12.00
Selling price per unit		
Factory cost per unit	5.00	7.00
Gross Margin	5.00	5.00
Administration and overhead	\$2.80	\$2.80
Sales and advertising at 15% of sales	1.50 4.30	1.90 4.70
Net Profit	\$0.70	\$0.30

A little study of the two columns of figures will show that this manufacturer, by paying sales and advertising costs on dollar sales, succeeded in lifting his sales cost per unit from \$1.50 to \$1.90, and thereby reducing his net profit from \$0.70 to \$0.30 per unit, despite the higher selling prices under the NRA.

What Is True Sales Cost?

The misleading method of basing costs upon some percentage of sales has always been the underlying reason for the inadequate earnings of some 89 per cent of American corporations. The following illustrations taken from various lines of business over a twelve-years' experience in solving the problem of sales costs will serve to show two facts about the business profits and their control:

1. That the ratio of sales cost to total dollar sales, always misleading, must now be completely discarded if profits are to be protected under the NRA;
2. And that a far more simple and practical method of measuring sales efficiency will automatically control both costs and results with none of the problems heretofore encountered. It at once provides a true basis for measuring the profit value of both advertising and selling, a means of easily controlling the cost of individual salesmen, and the basis of a fair and profitable quota plan.

Before me are figures of a manu-

When the editors showed this article to six business men in advance of publication, three were 100 per cent in agreement with it. The other three were just about 100 per cent against it. Some of the objections they raised—and Mr. Rucker's answers—will appear in the next issue.

facturer in one of the forest products industries. They explain why his 6 per cent commission on net sales served to mislead him into a false security. In setting a commission on net sales he failed to realize that his gross profit margin varied from year to year—that the fluctuations in that gross margin caused his true sales costs to jump erratically. Any manufacturer or distributor who cares to use his own figures will discover that gross margin varies from year to year; note the following:

	Gross Margin, Per Cent to Net Sales
1926	53.0
1927	57.3
1928	59.0
1929	51.2
1930	56.8
1931	65.0
1932	46.3

When it is realized that "gross margin" is simply the figure representing "free dollars" after paying factory production costs, and that selling and advertising cost must be paid out of "free dollars" only, it is not hard to appreciate that:

The relation of sales and advertising costs to "free dollars" or gross margin is the only important point of the problem.

The only way really to control sales, advertising and distribution costs generally is to cease measuring them in percentage of sale, and fix them in percentage of gross margin ("free dollars").

The manufacturer in question received a rude shock when he realized that his 6 per cent commission on sales was, in fact, no control whatever over selling cost, but, instead, a highly active agent in the destruction of profit. His figures show the amount

of the sales dollar left for administration, overhead and net profit after deducting the 6 per cent sales commission from gross margin.

	1926 P.C.	1927 P.C.	1928 P.C.	1929 P.C.	1930 P.C.	1931 P.C.	1932 P.C.
Gross Margin	53.0	57.3	59.0	51.2	56.8	65.0	46.3
Less 6% on sales for selling	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Pct. of sales dollar left for administration and profits	47.0	51.3	53.0	45.2	50.8	59.0	40.3

With such fluctuations in margin is it any wonder that net earnings must vary widely? Is it any wonder that setting aside a fixed percentage of sales for various expenses is the most misleading element of business profit control?

What is true sales cost? It is the ratio of sales cost to gross margin, never to net sales. With the cost of material and labor almost fixed on the down side and free to vary upward only, every business must turn to control of distribution costs as a means to adequate profits. In order to do so, true sales costs must be known.

The difference between true sales costs and illusionary sales costs are often astonishing. Here are figures of another manufacturer who imagined he had his selling costs under control—note how his fixed 8 per cent commission on sales became anything from 16.0 per cent of gross margin to 18.89 of gross margin.

	Fancied or illusionary sales costs, per cent of cost to sales	Real sales costs, per cent of cost to margin
1929	8.0	16.0
1930	8.0	16.95
1931	8.0	18.89
1932	8.0	18.4
1933 (six months)	8.0	17.28

The correction of fluctuation in true sales costs is the installation of

a master profit budget. This budget becomes the standard against which actual results are measured and by which they are controlled. The mas-

ter profit budget sets a fixed percentage of margin for all administrative, sales and advertising costs. That compels such costs to shrink to the point where net profit can be put into gross margin and kept there.

One of the most striking examples of the fallacy of percentage-to-sales as a measure of efficiency is revealed by the chart on this page, prepared from an analysis of sales activities of a manufacturer of six lines of products used quite extensively in some eleven industries. For years this manufacturer was content in so long as salesmen's salaries and expenses did not exceed 12½ per cent of dollar sales. By careful work, all salesmen were held so firmly in line that the sales cost of the highest was hardly more than 25 per cent greater than the cost of the lowest-cost salesman.

Despite that fact, three men were found to be incurring direct losses year after year, and only four members of the sales force could fairly be termed profitable. The moment that individual salaries and expenses of the men were compared with the gross margin earned on their sales, the causes of unsatisfactory net earnings was plainly visible. Note the chart, bearing in mind that the black areas represent the percentage of sales cost to margin earned on dollar sales, by men.



The black segments of the circles in this graph represent the varying percentages of sales cost to margin earned by salesmen on dollar sales, despite the fact that sales cost to dollar sales was practically the same for all salesmen. Results pictured by the graph were due to varying margins on different lines of products and failure of salesmen to concentrate on the most profitable lines. Measuring sales efficiency in relation to dollar sales conceals the true sales cost.

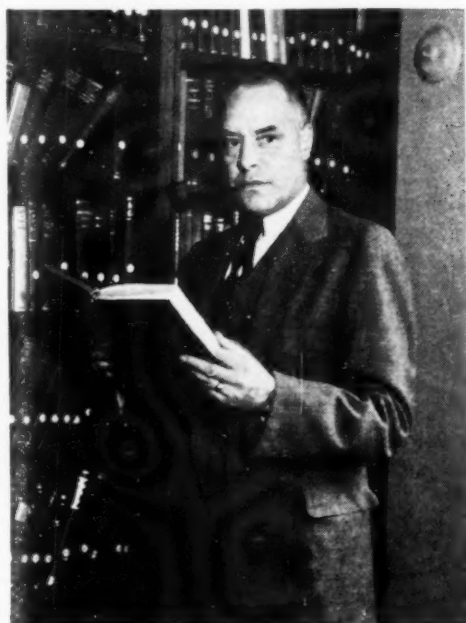
GM's GM: (Right) William S. Knudsen, now executive v.p. of General Motors, arrived here as a Danish immigrant at 19. His success in managing women workers in a bicycle factory was a first step upward. Long with Ford, he has been head of GM's star performer, Chevrolet, for the last decade. In his new job Knudsen will supervise General Motor's manufacturing operations throughout the world.



Bed fellows: American headquarters of Sir Henri Deterding's (right) Shell Oil companies will soon be housed in John D. Rockefeller's (left) Standard Oil Center. (Story on page 424.)



PI President: (Below) Roy Dickinson, newly elected president of the Printers' Ink Publications, was the honor guest at a luncheon given by James Wright Brown, head of Editor and Publisher, at the Union League Club in New York last Wednesday.



Rebel: (Left) William E. Humphrey replied to President Roosevelt's letter, removing him from the Federal Trade Commission, by informing the commission that he was still a member, "ready and willing to exercise the powers and functions of my said office." But the commission declined "to further recognize" him.

Rockefeller and Deterding photos by Underwood and Underwood, Humphrey by Wide World, Warner by Kaiden Studios.



Publishers' Prexy: (Right) William B. Warner, of the McCall Company, New York, has been chosen president of the National Publishers' Association.

Who's Now Who

The Spot-Light on Washington

How to Complain



The NRA welcomes suggestions and criticisms, although current press reports indicate that the General doesn't like criticism in *print*. Side-line planning boards have been set up for consumers, management and labor. Officially they're not a part of the Administration, but they analyze practical problems and the working out of new-deal theories and advise Johnson and his administrators. If NRA isn't helping your business, or if you have any suggestions for betterment of your industry or of business as a whole, you should write the Industrial Advisory Board, care NRA, Washington. The board is made up of business men who are giving their time to the national welfare. Remember: the Government *wants* your suggestions and your criticisms.

Now Is the Time for—

NRA officials are realists. They know that it takes more than good merchandise at right prices to make maximum sales. General Johnson cites the striking gains which have been made in both production and distribution during recent months, and adds: "Now is the time for American industry to bend every effort toward increased sales. In order to do this we believe that two courses of action are absolutely essential. They are: first, give the public attractive, up-to-date merchandise, fairly priced, and, second, *aggressively promote your products to the public*. American industry must help the public find the goods it needs. The modern method is advertising. The American public looks to advertising for news of good merchandise and good values."

Advertising and NRA

Accompanying sample "Buy Now" advertisements, sent by the NRA to publishers, was a letter from General Johnson which argued that the value of the advertising dollar is about to increase. He said: "Those factors which during the past few years have reduced both the value of the advertising dollar and the amount of advertising placed are: (1) Millions of men and women were without em-

ployment, and consequently without purchasing power. (2) Those still employed were greatly reduced in income. (3) Everyone who had any money at all was deterred from spending it by fear and apprehension about the future.

"As a result, the average consumer approached the advertising in his favorite publication in a negative frame of mind. He had an abnormally high sales resistance. He was two-thirds convinced, in advance, that he didn't want the product, and couldn't afford to buy it anyway.

"Added to this was the fact that the volume of advertising itself was so far reduced that the reader was deprived of much of the NEWS about merchandise and values upon which he was accustomed to depend for guidance in buying. Therefore, his interest waned in those advertisements which remained, as well as in the publications in which they appeared."

Off the Front Pages

During the next few weeks it will become increasingly apparent that NRA news will be played down in the newspapers (as a part of the Government plan) and that news on credit expansion, releasing of funds in closed banks, public works, stimulation of capital goods, and A. A. A. will get the front page space. With the more important codes submitted and passed upon, NRA functions will turn to the supervising and directing and stabilizing of industries. Permanent code enforcement machinery is being set up with the Blue Eagle local compliance boards likely to be utilized as the first contact boards for receiving complaints. It is expected that a national director of compliance will be appointed and that he will be responsible for final disposition of code violations which cannot be adjusted locally. NRA officials are anxious that code authorities and trade associations should work closely together to the end that self-regulation of business can be made a reality.

More Statistics

A modified continuation of the 1930 Retail Sales Census is being started by the Bureau of Foreign and Domestic Commerce. As an aid in tracing the movement of goods into

the hands of consumers the Bureau has undertaken to set up a group of monthly indices of dollar sales volume in the automotive, grocery, limited-price variety goods, and rural and small-town general merchandise stores. Indices will be prepared for New England, the Mid-West, the South, and the West, and the four groups of retailers will later be supplemented by others.

NRA and Market Values

Major A. Heath Onthank, Chief of the NRA Control Division, told the members of the D. M. A. A. that there will come soon a definite change in the relative value of markets. *Unskilled labor* is generally going to receive higher wages, more employment, and, consequently, a greatly increased mass purchasing power—not only true of the markets as a whole but especially true of various sections where the percentage of increase will differ markedly, such as the greater percentage of minimum wage increases in the South as against the North. *Skilled labor* stands to benefit as much if not more. Purchasing power will be increased and a wider range of goods in the luxury and semi-luxury classes will be favored. *Professional classes* and the managerial and executive groups will find their incomes more gradually affected. The lag in their incomes is a matter of history which probably will be repeated. *Wealthy classes* will wait a long time before their incomes approach the 1929 fancy levels, and the market for super-luxuries is likely to be the last to reach normal levels.

Start Market Studies

Major Onthank suggested that manufacturers start reevaluating the shifting markets such as: (1) The changes in relationships in and between population classes as mentioned in the paragraph above; (2) The above qualified on a geographical basis; (3) By types of communities—urban and rural; (4) Changes in and relationship of necessities, semi-necessities, low-priced luxuries and luxuries; (5) If the pending retail codes are approved with their proposed "stop loss" provisions, there

(Continued on page 424)



F. H. Johnston

Based on an interview by Lester B. Colby with

FRANK H. JOHNSTON
President, Acme Card System Company, Chicago

FRANK H. JOHNSTON, president of the Acme Card System Company, Chicago, has made a notable business discovery. It is the high cost of the "No" Man. Mr. Johnston, in the last seventeen years, has built up a world-wide business. He manufactures visible card systems and establishes them everywhere business is done, including the Fiji Islands and the Patagonias.

He invented and installs those little danger signals that bob up in some millions of offices all over the earth, in all kinds of enterprises when enterprise begins to flag. He has made the world better by simplifying its complexity.

But it wasn't until the year 1933—and it was in his own business—that he hung the high cost on the "No" Man like a tail hangs on a kite. He is so thoroughly convinced in the matter that he said to SALES MANAGEMENT:

Peril Lurks in "No" Habit

"I now require a report, every day, on every caller who comes to my offices. I insist on knowing who he is, what company he represents, what he has to sell, if salesman, why he thought he could sell to us and why we didn't buy.

"I have come to the conclusion that the general habit of someone saying 'No' to every salesman who comes is one of the greatest perils of American business today. Some of these salesmen must surely have something for us.

"If your man, the man who interviews these salesmen, isn't getting

Every business harbors him—the "No" Man—the chap who knows everything, who has his mind sealed against any ideas that might be brought to him from the outside. When anyone approaches him with a suggestion, he has only one word in his vocabulary—"no." Here's a company president who has discovered that such under-executives are expensive and inimical to rapid progress. He tells you why.

Bum's Rush for "No" Men, Acme Head Recommends

something out of at least some of them, he's got the 'No' Man complex and it is time for you to get a new man."

Mr. Johnston made his discovery through a new production manager he employed about six months ago. His new production manager, he says, listened to men who came to him with ideas. And he began to find out things. We will let Mr. Johnston tell about it:

"He had been on the job only a little while when he came in and told me that he had a new machine in mind which would improve production facilities and show a profit. It would cost about \$1,800. He convinced me and got the machine.

"In a short time he was back again. This time he wanted equipment costing \$3,800. He got that, too. He kept coming back and in six months I've let him spend \$11,000 for new equipment. I hope he keeps on and finds way to spend another \$11,000 as profitably.

"If I had not put in that production manager I wouldn't have spent a dime. We had pretty much got the 'No' Man habit.

"Now I wasn't looking for a man who was going to spend \$11,000 when I hired him. If he had told me he was going to do it before I hired him he wouldn't have got the job. But now I think pretty well of him. He has the owner viewpoint.

"The man with the owner viewpoint has the courage to go ahead and invest money when investment is justified by returns. The 'No' Man, who is all too prevalent everywhere these days, is fearful of criticism if he offers an idea and is likely to argue to himself: 'The old man has been pretty decent through this depression. He has kept us on through thick and thin.

We'll just sit tight and not spend any of his money.'

"I have come to the realization that to make money you've got to spend some money; probably quite a bit of money. A concern can go to pot mighty quick if it turns down every caller. Some are bound to bring ideas.

"The production manager, the sales manager, the office manager who gets into the habit of saying, 'That's fine, but we're not interested,' is due for a shaking up. These men are designated to contact the public. When they become 'No' Men it's proof enough that they haven't got the owner viewpoint and it's time for the owner to get busy.

Education in Saying "Yes"

"I learned through my own experience that I had failed to educate my own department heads in the owner viewpoint. I am confident that thousands of other executive heads have failed to do the same thing.

"A third-rate competitor who has alert men, seeking the new, anxious to learn and to progress, will overtake the old, established house that has acquired the 'No' complex with a speed that is devastating.

"There are plenty of organizations, of course, where only the top can make any purchase of importance. The habitual 'No' Man stops all salesmen—everyone with an idea—stops 'em short and they never get to the top. That's why so many houses, these days, are not buying at all.

"I've been wondering, recently, how many more sales would be made these days if the salesmen could break through the 'No' Men and get to the boss. The 'No' Man, who sits at all too many gates these days, has probably turned down hundreds of good ideas, profitable ideas."



Scrutinizer Wiley
"The New York Times will accept liquor advertising... subject to rigid scrutiny..."

Wiley photo by Wide World, Patterson by Acme, McCormick and Maxwell by Keystone, Lorimer by Underwood and Underwood, Aylesworth by Harris & Ewing.

Media Executives, Despite Repeal, Disagree on Carrying Liquor Advertising

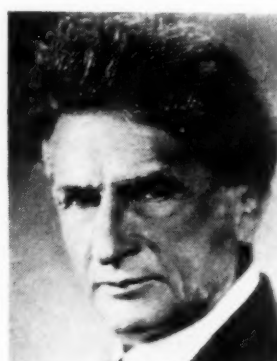
BY LAWRENCE M. HUGHES

REPEAL of the Eighteenth Amendment, expected to be in effect December 6 on favorable action of at least three more states November 7, will not open to liquor advertisers the space and time of all of the nation's major advertising media. Many local areas still will be dry and local media

is finally established. Some will carry beer and wine copy, but not that of "harder" liquors.

The list of those which will help to promote all the "new" beverages, however, is still large and representative. It includes the Hearst and Scripps-Howard newspapers, and Paul Block newspapers (though general policies

Tribune and Sun, Portland, Oregon, *Journal*, Harrisburg *Telegraph*, Providence *Bulletin* and *News Tribune*, Seattle *Times*, Spokane *Chronicle* and *Spokesman Review*; the Fawcett magazines, Minneapolis; the Hearst International Magazine group (excepting *Good Housekeeping*); McFadden Publications (excepting *Physical Culture*)



Patterson vs. McCormick

Partners otherwise, Colonel McCormick's *Chicago Tribune* will refuse, Captain Patterson's *New York Daily News* will accept.

Lorimer vs. Macfadden

The Curtis magazines find it "not acceptable"; Macfadden obeys the "will of the people."

there will be likewise. But even among those circulating in wet areas, and nationally, there is considerable disagreement.

Media that will not carry liquor advertising are influenced primarily by what they believe will be the reactions of the majority of their readers or listeners to it. Some, undecided, are "feeling out" readers first. Some media, like the broadcasting chains, await Federal and other ruling before sending liquor advertisements into dry areas. Many are postponing what may be a ticklish problem till liquor contracts actually beckon, or Repeal

have not yet been determined); the Curtis-Martin newspapers, the *New York Times*, *Daily News* and *Mirror*, *Washington Post*, *Boston Post*, *Buffalo Evening News*, *Buffalo Courier-Express*, *Detroit Free Press*, *St. Louis Globe-Democrat*, *Baltimore Sun*, *Philadelphia Record*, *Milwaukee Journal*, *Richmond News Leader*, *Akron Beacon Journal*, *Providence Journal* and *Evening Bulletin*, *Oakland Tribune*, *Denver Post*, *Indianapolis News*, *New Orleans Times-Picayune*, *Boston Globe* and *Herald-Traveler*, *Detroit News*, *Reno Gazette*, *Newark News*, *Albuquerque Tribune*, *New York Herald*

Time and *Fortune*, *Life*, the *New Yorker*, the Stuyvesant Group of magazines (Hearst); the Conde Nast magazines, the *Delineator*, the nationwide car card service of Barron Collier, Inc., and radio station WOR of Newark.

On the definitely "no" side with respect to hard liquor advertising at present, however, are ranged such publications as the Gannett newspapers, the Curtis and Crowell magazines, *Pictorial Review*, *Chicago Tribune*, *McCall's*, *Farm Journal*, *Des Moines Register and Tribune*, *Kansas City Star*, *Los Angeles Times*, *Atlanta*

Constitution, and *Deseret News* of Salt Lake City, official newspaper of the "Mormon" church.

Among media still "undecided," those which may be expected to refuse liquor advertising are *Literary Digest*, Senator Arthur Capper's *Household Magazine* and *Topeka State Journal*, and the *Dallas Morning News* and *Evening Journal*.

Others undecided include *Modern Magazines*, *Worcester Telegram-Gazette*, *Philadelphia Bulletin* and *Omaha World-Herald*.

NBC and CBS radio chains probably will say "yes." But the Federal Government, in their case, may have to say "yes" first.

Outdoor companies on the whole are prevented from saying anything at the moment by a ruling against the posting of liquor advertising placed on the books of the Outdoor Advertising Association of America several years before Prohibition, which, we understand, is still there. So much water (or liquor) has gone over the dam since then, however, that members may ignore it and consider only their respective interests. The OAAA will meet at Louisville October 30 to discuss how liquor copy is to be handled. There may be a favorable wet omen in the meeting place selected. Even so, Walker & Company, Michigan outdoor company, informs SM that "we have definitely announced that we will not accept poster contracts featuring wine or hard liquor advertising."

"This class of advertising," adds F. W. Lines, Walker sales manager, "will be confined entirely to certain selected locations, on which can be erected either painted bulletins or electric spectaculars." Walker will censor all copy prior to its acceptance. "This decision may be modified in the event the Michigan State Liquor Commission adopts rulings contrary to this policy."

Due to "waste circulation" of liquor advertisements in other national media in dry areas, and to the possibility that their circulation may be forbidden there, Barron Collier believes that his organization will be better able to solve the problem in the advertisers' interest. "Street car advertising, based as it is on the purchase of space in any city or group of cities served by the companies comprising the Collier organization," he explains to SM, "enables manufacturers and distributors to display their advertisements in every city where liquor sale is legal. On this basis they may secure national covering with no fear of . . . law violation. The Collier organization is prepared to accept liquor advertising contracts."

Though the Hearst and Scripps-Howard newspapers have not officially made up their minds as to a policy on liquor advertising for their entire organizations, some of their papers already are carrying it. A six-column "statement of policy" by National Distillers Products Corporation, New York, was published this week in newspapers in 22 states where liquor may be sold when repeal takes effect. Eighty-eight newspapers ran the advertisement—nine of them Hearst newspapers, in New York, Chicago, Los Angeles, San Francisco and several New York cities; and three Scripps-Howard, the *Denver Rocky Mountain News*, *New York World-Telegram* and *Pittsburgh Press*.

Nine newspapers—all in wet areas—refused this advertisement. They were the *Los Angeles Times*, *Hartford Times*, *Chicago Daily News*, *Chicago Tribune*, *Albany News*, *Rochester Chronicle*, *Utica Observer-Dispatch* (these three in the Gannett group), *Harrisburg News & Patriot*, and *Philadelphia Bulletin*.

In fact, one or two newspapers which told SM that they were still "undecided," ran the advertisement. The

dignity of its layout and restraint of its copy may have won these and other doubters. The advertisement, prepared by Erwin, Wasey & Company, pledged National Distillers Products "to stand, in every phase of our business, for moderation and not abuse—for temperance, instead of excess—for the strict observance not merely of legal duty, but of moral duty as well."

The decision of carrying or not carrying liquor advertising has brought about some interesting disagreements among publications in the same field and even among publications closely affiliated.

Though John C. Martin, president of the Curtis-Martin Newspapers, for example, mentions that "unless postal laws prevent, it is our intention to carry liquor advertising of all types in all our newspapers," Fred A. Healy, advertising director of the Curtis Publishing Company, points out that "at present liquor advertising is not acceptable in the Curtis magazines and we have had no occasion to change our decision." This disagreement doubtless is due to the fact that these newspapers are circulated in two large wet cities. The *Ladies' Home Journal* and *Country Gentleman*, however, have many dry readers. Even so, the *Saturday Evening Post* is primarily a man's paper, circulated largely in the cities.

None of the Crowell four—*Collier's*, *American Magazine*, *Woman's Home Companion* and *Country Home*—will carry hard liquor advertising, but the first two are carrying and will carry beer.

Lee Ellmaker, president of the Pictorial Review Company, has this five-fold decision: "The *Review* did not carry beer before, but will carry it now. It won't carry liquor; but it will carry wine, if 'properly presented.'" As for Mr. Ellmaker's *Woman's World* the answer is "no" all 'round. (Continued on page 419)



Aylesworth vs. Collier

"Street car advertising enables manufacturers . . . to advertise in every city where beer is legal."



Brother Lee

of the publishing Maxwells, will keep liquor out of the Crowell magazines.



Brother Clair

of Life, most determined of wet advocates, will celebrate with a special repeal number in December.

Business from direct mail and newspaper advertising has increased for Postal every year since it was organized in 1927. Largely responsible for this has been the courage to experiment until the most effective and least costly methods of advertising were determined. The man in charge of this work here describes methods and results.

How We Test and Check Direct Mail and Newspaper Advertising

ANY business can and should discover ways and means of securing good returns for its investment in advertising.

What we spent accomplishing just this looked like a great deal at the time. But results in the first subsequent year repaid us many times over, and have continued to do so ever since.

Buyers of advertising often waste money by pouring it out indiscriminately, like attempting to turn a mill with sheet water rather than with a directed, controlled stream. When the advertising buyer knows just what returns he can expect for his investment, economy is wise. Before that, our experience has shown, it may be very unwise.

Advertising to Waste-baskets

For instance, we once experimented with a small broadside which embodied the best sales psychology, with excellent color, fine printing and pictures and copy that carried a strong sales appeal. The price was \$15 a thousand for a lot of 10,000. But the printer convinced us we should buy 50,000 at half the price. We did. We sent out 10,000, and they were a complete flop. The other 40,000 went into the paper shredder. We would have done better had we paid ten times as much for the first few thousand and tried them. Then, if they tested particularly well, we could have rushed as many as possible into the mail and paid the printer a premium to get them out in short order—which is our usual practice.

We started our experimentation by securing and analyzing copies of all dailies published in the United States. Our business is entirely direct-by-mail, and we do a lot of advertising in small quantities. We wanted to know, first, when there was the least local

BY

M. B. SALISBURY

*Executive Vice-President,
Postal Life & Casualty Company,
Kansas City, Missouri*

advertising in a newspaper, so that we might secure the greatest reader attention for our small advertisement. In the majority of papers this is a week-day, but we found a few papers were most effective for us on Sunday. Then, too, some papers have a more favorable milline rate on Sunday, and the results sometimes justified our using it.

Only by trial and error could we determine what paper in a particular city or town is the best one for us. Frequently this is not the paper reputed the best.

Since we use a pure reader advertisement of from 29 to 100 lines, we prefer a position among the small news articles, from 20 to 100 lines, which the make-up man usually places on the break-over page, the page number depending on the size and kind of newspaper.

A Master Sheet of Media Data

On a "master sheet" we tabulated the general information which our analysis of the dailies gave us: the name of the paper, rate, preferred day, page and position, and whether we could afford to pay the premium for that position, or just go ahead and ask for it, hoping, with average luck, to get it. This master sheet is regularly altered to keep it accurate.

We determined also the best time of year to advertise. To be sure of this, we had to find a paper that leads its section in the consistency with which it pulls for us. We discovered that the other papers in a section al-

most invariably produce results when the key paper does. Only about five or six of the key papers, of which there are forty, change in character or pulling power during the year.

When all forty papers are pulling well, we know that we can expect good results all over the country, and we step up the amount of our advertising. When they pull poorly, we cut out all advertising but that which produces results. Copy is kept in key papers at least forty-five out of fifty-two weeks in the year.

Pulse-feeling Key Papers

We keep another, more detailed, record of the name of newspaper, position of ad, lineage and kind of copy, date, cost and results, and key numbers of advertisement and copy. Key papers keep us alive to what the country is doing; this record, to what each individual paper, page and position is doing.

Our advertising expenditure closely parallels the results that automatically reflect in these records. We know that five days after the advertisement appears we shall have received one-half of all the results we shall ever receive from that particular advertisement. It may require several weeks or months to get the rest; but we can decide, after five days, whether or not to reinsert the ad the next week. Thus we can go wrong only one week either way, and guesswork is reduced to a minimum.

As with newspapers, we test a mailing list thoroughly and in great detail before using it to any extent—for types and ages of people, large and small towns, states and seasons, days of the week, type of literature; size, color and shape of envelope, heading of stationery, postage (meter, pre-cancelled stamp, first or third class), phraseology, etc.

In testing a list only one factor is left unknown. If we want to learn the value of a list of names, for instance, we use known successful copy, color, stamp, season, etc. When testing any one of the other factors, we send the new style to every other name on a known valuable list (last year's applicants who did not buy from a good one), and one of the old style to the others on the list.

We break down a list thoroughly before experimenting with it. For instance, we secured a list of automobile owners in ten states, with addresses, year model, and kind of car. We broke it down into fifteen classifications based on the kind of car and year model, and sent a thousand letters to each classification. We learned exactly what we wanted to know—among other things, that owners of new cars in the Ford and Chevrolet class, owners of 1931 models in the Buick-Pontiac-Chrysler class, and owners of 1928 and 1929 models in the Cadillac-Pierce-Arrow class, are good prospects; but that owners of Class I older than two years, Class II older than four or five, and Class III older than five or six, are not.

Discoveries in Reactions

In our experiments we made several interesting discoveries.

Metered mail is, for instance, just as successful as pre-cancelled stamp mail, and, though it is not as good as first-class, the additional results we get from the latter do not pay the difference in cost.

In the South we secure a high percentage of returns from mailings, but a low percentage of sales. In the North the reverse is the case.

With both newspaper and direct-mail advertising, the latter part of April and the months of May and September are our very worst seasons. Our theory is that during April and May weather and people's habits are changing from winter to summer, and in September from summer to winter. After a season definitely arrives, people settle back into normal reading habits.

Contrary to general mail-order theory, July and August are very good months for us.

On applications which we answered the first day they were received the return was 32 per cent; the second day, 31½ per cent; the third day, 30 per cent; the fourth day, 29 per cent; the fifth day, 27 per cent; the sixth day, 26 per cent. Distance did not affect returns: we received the same number of sales from New York as St. Louis in this particular experiment.

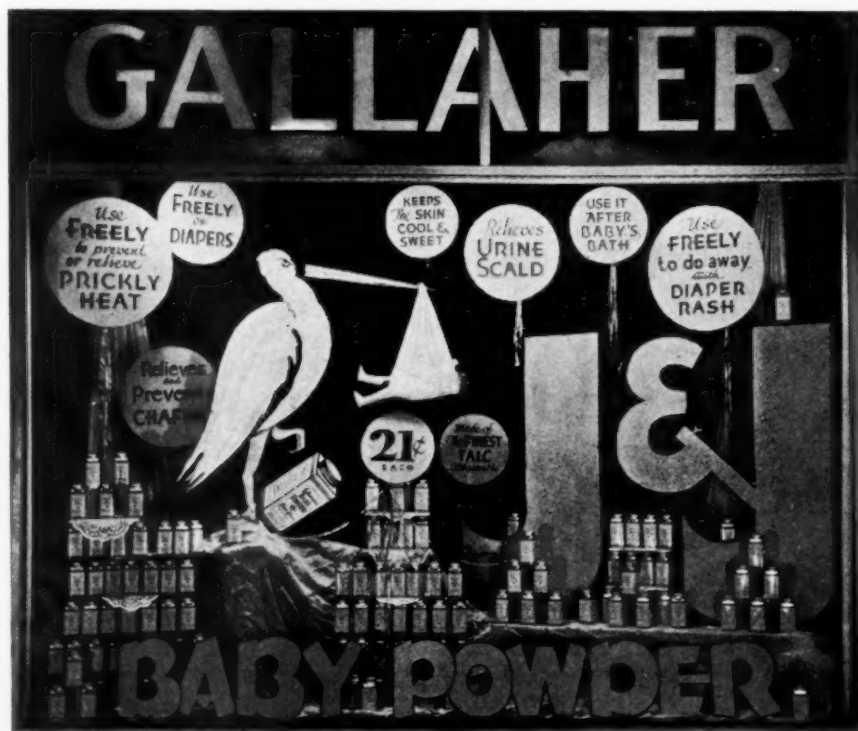
Apparently, persons who apply expect, consciously or unconsciously, a return within a definite time. Whether this is (due to distance) three days or one day is immaterial.

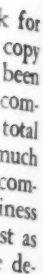
Our experiments have proved to us conclusively that no idea is too dumb or too contrary to advertising principle and theory to try. Frequently such copy has been successful for us, always provided that it is honest.

What works for us won't work for competitors; and our use of copy identical with that which has been unusually successful for other companies invariably has proved a total failure. Executives spend too much time finding out what their competitors are doing. A business possesses a distinct personality, just as an individual does, and should be developed as such.



Winners of two special awards of \$250 each, in Johnson & Johnson's recent window display contest. (Above) A display by S. H. Grossman, of Helfand & Katz, Philadelphia, and (below) a display by Mrs. Carl Hyder, Gallaher Drug Company, Dayton. Details of this unusually successful competition appeared in SALES MANAGEMENT's special issue for October 10. With them was reproduced the photograph of the grand prize winner—a display by S. L. Brannon, Skillern & Sons, Dallas, Texas. A thousand druggists entered 1,500 pictures in the event.





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Much more difficult than training the new man is the job of re-training the salesman who has a long and at least fairly successful record with the company behind him. The old men have to be "sold" on the value of training before any plan of any kind can be successfully carried out.

Does It Pay to Attempt to Train Seasoned Salesmen?

ANY system of business training which fails to include seasoned employees as well as "novitiates" falls short by a great margin of its potential effectiveness.

All training to be of value, of course, must have the unqualified support and encouragement of the major executive of the organization. This support cannot be lukewarm. Executive cooperation precedes employee acceptance and this feeling must be developed all down the line of subordinates.

Mind-Set of Older Employees

All too often older employees assume that they know all there is to know about their own jobs, if not about the entire business. Therefore, they may not be receptive to the idea of training; particularly is this true in the company that has had little or no training tradition. Some may consider such a plan unnecessary and expensive. Others may feel that additional training is "new-fangled"; this type hates change of any kind. Some believe that all worth-while knowledge is acquired only through the experience of trial and error. If this were true, why do many experienced golfers fail to improve their scores? The answer is that they do not know their faults and hence do not attempt to correct them.

On the other hand, if the training afforded is sound and has the management's approval, it is eye-opening to see the enthusiasm that can be developed in those older men who sincerely wish to progress. Most men want to

increase their earnings and many realize that this is possible only through better performance in their jobs. They welcome methods and ideas which will help them succeed.

Although the training in our business is continuous, we have recently completed an intensive training campaign for seasoned employees. Many were of the opinion that the results would be disappointing, due to the hard discouraging conditions our men were facing daily in these past three depression years. However, such has not been the case. Improved performance can be directly traced to this program and the strengthening of morale due to the employees' realization that the company was behind them 100 per cent even during the darkest days, is very noticeable. Contact men are like sailors; they recognize and appreciate the skipper and the ship that rides the storm. The mortality among fair weather sailors has been great these recent years A. C. (after the crash).

One wise man said, "There is nothing new under the sun." Another said, "It is not what we do not know that reduces our efficiency, it is what we forget." All of us need reminding. The intelligent employee, regardless of his ability or the number of years he has worked on a certain job, knows this.

The third of a series of four articles

BY

JOYCE OLIVER

Household Finance Corporation,
Chicago

He likes to obtain a fresh viewpoint; he is alive to the danger of becoming stale. Here is indeed virgin soil for most businesses to plant with the seeds of instruction and education that will yield harvests beyond expectation. Bruce Barton is the author of a most interesting article entitled "When You're Through Changing, You're Through." The surest thing in life is change, and the company which refuses to freshen the viewpoint of its workers and to stimulate their enthusiasm by education is blind to its own best interests.

Dessert vs. Red Meat Training

Some executives feel that the posting of inspirational messages or the holding of conventions devoted to the eulogy of the good old company, the good old president, or the good old product, is sufficient. My experience with these methods does not make me feel that the management's responsibility ceases there. Too much supervision now is of the ambassador-of-good-will variety and the recurrent "pep" revival meeting soon gets to be regarded by the shock troops as the same old buncombe from the "brass hat" general safe behind the lines.

If education is an interchange of ideas—and any other definition, in my opinion, is erroneous—then care must be taken to disseminate information which is worth while. Real dividend-producing meat is the meal the hungry boys on the firing line want—not the frothy dessert of well wishes, catch phrases, and pats on the back. Admitting the desirability of this type of

One of a Series of Articles on "Man Power Problems in Selling"

LITTLE more than two years ago, the Campbell Soup Company saw a magazine re-born. After Liberty's acquisition by Macfadden Publications Incorporated, Campbell's Soups watched it embark on a constructive program to make it a greater force than ever in the lives of the millions who bought it weekly.

Campbell's observed improvements in the quality of Liberty's paper stock, inks and printing.

They noted the growth of a great contributing staff of illustrators and writers.

They sensed the development of a powerful editorial policy, liberal, independent, courageous, dedicated to a tradition-less appraisal of the way that the world is going. (Liberty was the first popular magazine to point out Mr. Roosevelt's qualifications for the Presidency, the first to predict Hitler's rise and publish his plans, the first to publish the Smith plan for repeal which was written into the Democratic platform and is now in full operation bringing about the end of Prohibition.) They thought it reasonable that such editing would attract the new, younger, liberal-thinking, liberal-spending leaders in every city.

Now, finally, Campbell's have seen that these management policies have resulted in solid reader support throughout even the most trying periods of the depression and that the long established financial stability of the management has actually been enhanced by an almost immediate publishing profit.

Probably no other individual institution has behind

it so great a record of dollar-years of advertising experience as the Campbell Soup Company.

Probably no equally successful concern can credit its advertising policies with playing a greater part in that success.

For more than a quarter century Campbell's Soups have been an advertising trail blazer.

Practically all of the magazines that Campbell's Soups elected to support in the years gone by have justified Campbell's judgment by becoming the country's greatest journalistic influences and advertising mediums.

Now, the Campbell Soup Company, with its viewpoint untarnished by these years, ever fresh, young and modern in its appraisal of changing conditions, recognizes this great new journalistic force that is entirely a product of the current times.

To their list of tried-and-true mediums, Campbell's Soups add Liberty, the magazine asked for week after week today by more men and women than any other magazine published, the magazine of the millions of young, modern, aggressive leaders in every city, the magazine read more intensively and more thoroughly than any other popular publication.

To the Campbell Soup Company and to the distributors of its famous soups Liberty wishes even greater success than ever before and is proud to have the opportunity to render the contribution to that success for which it is so particularly fitted.

WHY CAMPBELL'S SOUPS BOUGHT LIBERTY

1. Nearly two and one quarter million *new* circulation—*The only reading group not now being covered by Campbell's many magazines*—the younger, liberal-thinking, liberal-spending group who are the new leaders in every community.

2. The magazine being read most thoroughly today. Thirty-seven surveys by Professor George W. Gallup, formerly of Northwestern University, Percival White Incorporated and Dr. Daniel Starch, formerly of Harvard, indicate that advertisements in Liberty are seen and read by a greater proportion of its circulation than in any other popular magazine; this means hundreds of thousands of extra *sales* impressions. (More men and women reiterate their interest in Liberty by voluntarily asking for it at the newsstands every week

than any other magazine published; 99% of Liberty's circulation is bought at retail, just like Campbell's Soups, without any free premiums or cut-rate subscription inducements.)

3. The favorite weekly of *women*. Intellectually emancipated womanhood flocks to Liberty's modern viewpoint. The Gallup, White and Starch surveys indicate a far greater proportion of woman readership than in the case of any other weekly.

4. The majority of Liberty's circulation bulks in the *cities*, where retail product displays can complete the sale started by Campbell's color pages. Liberty has a greater proportion of its circulation in the cities than has any other magazine published.

Liberty

America's Best Read Weekly

program is one thing; assembling the desired information and "putting it over" is something else, indeed.

Training for seasoned employees must be of a somewhat different nature from that for the new men. If possible more care must be taken in preparing training material for veteran employees than for new men. Many factors must be considered in order to determine the best form in which to present these data. Such things as the size of organization, its geographical location, company policies, personnel, products and personalities all play an important part in this decision. In any event, the business training technologist is like the custom tailor; he must cut and fit to measure.

Tailor Plan to Your Business

If offices or individuals are scattered far and wide, as in national or international organizations, effective correspondence courses can be developed which can be supplemented by regional district or group meetings. This program should be supplemented by the sending out from headquarters from time to time of carefully chosen educational material pertaining to the job and the business. Trade journals may come in this category. Additional encouragement such as business books, reading courses, and even cultural volumes may be provided or suggested. Almost daily men in our organization testify as to the pleasure and value they have received from recommended books on practical psychology dealing with the handling of people. All of these things, as well as motion pictures, prepared state performances, etc., are all grist to the mill, which, even if it does not at once better production records, does at least lead men into thinking constructively about their jobs.

John A. Stevenson, vice-president of the Penn Mutual Life Insurance Company, tells a story about one of the group meetings held by a divisional sales manager who had an official, prepared speech which had been standardized and used previously in other cities. Stevenson picked a star producer who had attended other district group meetings to ask him how he liked the talk. "Although this is the sixth time I have heard it, I enjoyed it equally as well as the first time," was the reply. In any event, the speaker had something definite to say, as the company had evidenced thought and preparation in giving its widely spread representatives something worth while instead of those generalizations and platitudes

all too frequently part of management's "talk to the boys."

A course of training applicable to employees already on the job can best be developed by encouraging a contribution of ideas from executives, supervisors and the men themselves. They then will feel that the program has merit because of their own participation in it. Obviously, students of an advanced training program will be more critical of the subject matter than the newcomer, who will accept what you give him as gospel truth. Here is where the "tailor-made" quality of preparation enters. It is better to take more time and spend more money to have the program fit the company's need than to superimpose the much-advertised panaceas advocated by mass production business doctors upon antagonistic or helpless employees. The responsibility of education is a management function; its value is enhanced when its importance is recognized as a full-grown staff function.

One word of caution might not be amiss in consideration of a correspondence course involving questions and answers. The antipathy held by salesmen and collectors toward writ-

ing reports is well recognized. Too much written work will be so irksome as to arouse resentment. This should be avoided at all costs.

Here is one instance from my own experience which proves the value of training to me. As sales manager and company director, I pioneered the introduction of a high-priced specialty in a territory where our competitor had forty-three years' head start, the field to themselves, unlimited advertising and financial backing, with a sales organization held up as the acme of perfection the world over. In three short years, with practically no advertising, we built up a business which did one-fifth the volume of our competitor's and showed a handsome profit from the first year on. The product sold was equally as expensive and the market was apparently saturated. The reason for this progress was due, first, to the proper selection of men, but, second, and far more important, to the intensive and constant sales training these men received. Knowledge pays dividends in every business.

(The last article in this series by Mr. Oliver will appear in the November 1 SALES MANAGEMENT.)

Bausch & Lomb to Make Sales Correspondents "Letter Conscious"

Bausch & Lomb Optical Company, Rochester, New York, is using a prize plan in conjunction with the new "Sales Letter Round Table," sponsored by SALES MANAGEMENT, to encourage better sales letter writing throughout its marketing organization. ("The Sales Letter Round Table" is a new organization in which a group of companies are participating in an exchange of each month's best sales letters—you'll find it mentioned frequently in Maxwell Droke's "Sales Letters" page from now on.)

In explaining Bausch & Lomb's plan, Carl S. Hallauer of that company states: "We are trying to make our dictators letter-conscious. SALES MANAGEMENT's 'Sales Letter Round Table' seems to offer us an avenue of approach to this accomplishment.

"We have hit upon this idea: all of our sales and credit letters will be scrutinized. Copies of those that seem to be above the average will be held each month for consideration of our Sales Committee. This committee will select the letter that our company shall submit each month to the Round Table.

"The company will pay \$5 to the

dictator whose letter is accepted by the Sales Committee; \$10 to the Bausch & Lomb dictator whose letter is selected for distribution to the Round Table members.

"Observation of all our letters is made possible because they all clear through our central file department . . . this plan has not been announced to our dictators yet, so for this month we are submitting a form letter that was used during the summer time.

"When we receive the Round Table's twenty-five best letters we will circulate them among our dictators."

The editors of SALES MANAGEMENT feel that this idea is so generally applicable to other lines of business that we are urging consideration of a similar plan on the part of other subscribers.

ASME Favors Filtered Oil

In "Tin Can Giants Widen Oil Invasion" (SM, September 15), it was inaccurately reported that the Society of Automotive Engineers believed that "old oil, filtered, is better than new." This should have been the American Society of Mechanical Engineers.

"She Covers the Counterfront"

ALICE HUGHES

*Whose column appears
every day in the
New York American*

"What's the background that fits you for this job of columning styles, stores and people's preferences?" I am often asked.

To begin with, I'm an old store hand. Mr. Jesse at Macy's (he's the Right Honorable Ambassador Straus now) used to report me for leaving the store at 5:20 instead of 5:30, when Ken Collins was my boss the two years I wrote Macy's fashion copy.

Arnold Constable—the Lazarus store in Columbus, Ohio—they have my fashion ads pasted up in their

clip books. I date farther back than that, but a gal has a right to her private life.

As soon as I had saved enough money on my job, I would always take a trip to Paris. I don't know why. But as I began to see styles from source to finish, it occurred to me that people buy, not so much what they need as what they are.

Show me what a man or woman buys, and I'll write a word picture of either of them. The woman who steps into a store to buy a lamp and comes out with a pair of lace panties; the man who went in for a winter's supply of flannel nightshirts—how did he come to be wheedled into a carved ivory chess set?

More than just so much cloth and so many seams go into a woman's dress. It may be the peg on which she hangs her entire hopes for the future. The purpose of an etching often has little to do with a thirst for art.

Well, that's the sort of thing I try to do in my daily and Sunday column in the New York American. We all know that in this rich country of ours, people don't buy things out of need. Other motives sway them far more. It is these motives—call them human-interest causes if you like—that I enjoy ferreting out for my own enlightenment, for public reading, and for storekeepers to peer one layer deeper into the customer's mind.

Shoes Sold To Strains Of Opera

Music Charms the Buyer,
Store Finds Miracles
Done with Hats.

By ALICE HUGHES.

BUYING shoes to music is a Gimbel idea, pleasing to both ears and feet. We have not yet found a psychoanalyst who confirms the theory that a woman's sales resistance breaks down as she listens to the strains of "Aida," but we have Gimbel's shoes.



New York American

Nationally represented by Paul Block and Associates

NEW YORK

CHICAGO

BOSTON

DETROIT

PHILADELPHIA

SAN FRANCISCO

LOS ANGELES

Eastern Railways Get "Cold Feet" on Fare Cuts; New Western Rate

Passenger fare reductions on Eastern railways probably will not go into effect December 1, as has been expected, an executive of the New York Central Lines informs SM. "The Eastern presidents looked into the matter," he added, "discovered that a reduction at this time might mean a considerable loss of revenue, and got 'cold feet.'"

Formally, the Eastern Presidents' Conference will probably say that the matter has been held up pending action by Congress, which meets in December, on a report by Coordinator Eastman covering plans for the "harmonizing" of railway and motor truck and bus transportation.

At any rate, L. W. Landman, passenger traffic manager of the New York Central, chairman of a special committee appointed to look into the fare situation, has not yet called his group together.

It had been announced that the Eastern railways would join in a decision already made by the Western, which have reduced the basic Pullman fare, subject to Interstate Commerce Commission approval, from 3.6 to 3 cents a mile, without time limit; the 10-day round-trip rate to 2 cents, and all-coach week-end trips to 1 cent.

It had also been announced that the Eastern and Western roads would unite in an extensive advertising campaign December 1, to stress the advantages of railway passenger travel, especially under the new rates. The Western roads, however, are expected to go ahead with their part.

"Fare reductions are much easier to effect on the Western roads," the New York Central executive explained. "Their dollar volume of passenger revenue amounts usually to only 10 or 12 per cent of their gross income, whereas on the Pennsylvania and New York Central lines it is 20 to 25 per cent of the total, and on the New Haven nearly 40 per cent."

"For instance, passenger revenue of the Union Pacific in the first eight months of this year was \$3,500,000, as against \$31,500,000 of freight revenue; on the Santa Fe, \$7,700,000 and \$50,151,000; on the Northern Pacific, \$2,082,000 and \$24,988,000."

"On the other hand, New York Central's passenger revenue was \$33,686,764 in this period, freight \$127,969,533; and Pennsylvania's passenger revenue \$33,712,214, as against \$156,669,907 for freight. (Usually, our passenger revenue is slightly

higher than theirs, but all the people going to Washington on the NRA have helped them this year.)"

Not content to reduce its rates to the new level of the other Western roads, the Santa Fe has announced as an experiment, effective December 1, a reduction of the cost of coach transportation to the level of the interstate bus companies. The fare from Chicago to San Francisco or Los Angeles, for instance, will be reduced from \$40 to \$34.50, which works out to approximately 11½ cents a mile.

The Southeastern roads thus far have reached no accord on fare reductions, though a committee, headed by Rex Cole, president of the L. & N., is looking into the matter.

Help a Rochester Man Support His Family!

OUT OF TOWN brewers are delivering into Rochester their beers and ales made in other cities. To the extent that this reduces work in Rochester breweries it keeps Rochester (spices life and Rochester families hungry.

If you don't buy and use, why not choose a Rochester beer while Rochester people are added? You reduce your taxes that way, too, for the State returns another \$1 per barrel tax to the county where it was collected.

Brewers, the country over, say the Heinkel water which helps give Rochester beers and ales their superior flavor. You can't get better beer and do than those of Rochester make. You can't increase Rochester jobs if you buy out-of-state products. Rochester brewers are voluntarily 100% N. E. A., as are all the members of the Rochester Wine and Beer Dealers' Association who handle or retail the bulk of their products. The Rochester community will work. Give them a hand.

BUY ROCHESTER BEERS AND ALES!!

ROCHESTER BREWERS' EXCHANGE

AMERICAN BREWING COMPANY, Inc.
CATAWBA BREWING COMPANY, Inc.
CHESAIRE BREWING COMPANY, Inc.
STANDARD BREWING COMPANY, Inc.

Where Will This Lead?

Rochester brewers have banded together to fight the beers made in other cities. Mamma tells the children that daddy is out of a job because of the big bad wolf from another city who is driving the beer truck. Will Mr. and Mrs. John Consumer care? They have been apathetic toward similar drives.

Philco Radio Launches "Heaviest" Campaign

The "heaviest" advertising campaign in the history of Philco Radio & Television Corporation, to run through the fall and Christmas seasons, will include full pages in 50 large city newspapers, full pages in magazines, and Boake Carter's five-times-a-week news broadcasts.

In the eleven weeks preceding Christmas, said Sayre M. Ramsdell, sales promotion manager, the expenditure will total \$600,000.

French, with RFC Aid, Starts to Transform NY "Slum" Market

Manhattan's Lower East Side may soon be transformed from a breeding place of disease and crime into a worth-while market.

The first major step in that direction was taken at a "slum-wrecking ceremony," at Market Street and Cherry slip, almost under the Manhattan bridge, when Alfred E. Smith, in the presence of city and state leaders and business executives and a thousand or so of his former "neighbors" of that section, wielded a gilded sledge hammer on a gilded spike. In the process the former governor removed, rather laboriously, two or three of scores of thousands of 50-year-old bricks that will go into the demolition of 98 buildings of the notorious "lung block," which will be replaced by a \$15,000,000 apartment house project.

The project was made possible through a loan of \$8,000,000 approved only a week before by the Reconstruction Finance Corporation; by the state in exercising its power of eminent domain; by the city in making the project tax-free; and by Fred F. French, the building owner and operator, who sponsored it through a limited dividend corporation.

As a result the 1,595 apartments in this new "Knickerbocker Village" will be rented at \$12.50 a room a month. The buildings will be equipped with automatic elevators, refrigeration, gas, electricity, incinerators and "fully equipped kitchens." Occupying only about 48 per cent of the 219,736 square feet, as against 90 per cent occupied now, the two buildings will be designed in the form of hollow squares, with large interior courts, to provide a maximum of air and sunlight. The space between the two buildings will be used as a playground.

Mr. French, chairman of the board of the Fred F. French Companies, explained that he had gone to Washington every week for 15 months to speed up the loan. Within 24 hours he expected to be in Washington for another loan on a similar project, on land in the same neighborhood already controlled by his group. Mr. Smith pointed out that the group was seeking from the Government \$20,000,000 more. With that they hoped to be able to lift a good bit of the face of the lower end of the island; and to improve its morale and buying habits as well.



William Adams (left) and Ted di Corsia, radio ghosts of President Roosevelt and Herbert Hoover on the now Remington Rand-Sponsored "March of Time"

Remington Rand's Preview Sells Sales Force on "March of Time"

In the 32 cities from which the "March of Time" was to return to the air two days later, Remington Rand, Inc., the new sponsor of this program, held, simultaneously, meetings of the 1,800 members of its sales force, October 11, to hear how the 13-week program would help them.

Addresses by J. H. Rand, Jr., president and chairman of the board, and by C. F. Price, vice-president and recently appointed chairman of the general sales committee, were transmitted by wire. Included also were a typical news event, and analyses by "March of Time" announcers as to the ways in which Remington Rand's own product and sales "march" could be tied in with the whole. Actors representing Messrs. Roosevelt, Hoover and Al Smith congratulated the company in bringing this program—ranked as the most popular dramatic presentation on the air—back to life.

Introducing the New York City part of the meeting, A. L. Ruiz and Walter Lindsay, sales executives there, pointed out that the program, reaching a potential audience of 25,000,000, could be helpful in making the 5,500,000 business contacts made annually by RR men throughout the country more productive, by increasing the general knowledge of the company's values and the good will toward the RR name.

Mr. Price believed that the program could aid in giving the company "75 per cent acceptance" and 50 per cent of all the business in the typewriter, typewriter supplies, power equipment, accounting machine and systems equipment fields.

Developed jointly by *Time* magazine and by Batten, Barton, Durstine & Osborn advertising agency, the program will continue to be created by *Time* and staged by BBDO (which also handles other RR advertising).

The magazine will not be compensated for its work. The 13-week series probably will cost Remington Rand \$90,000—\$7,000 a week, divided about 50-50 between time and talent."

In addition to instilling greater effort and cooperation among the salesmen of the various divisions, the radio series is being promoted throughout the entire Remington Rand organization. Inserts about it have been placed in the 15,000 pay envelopes, and letters sent to RR stockholders. The series has been stressed in three RR house organs—one of them, the *Remington Rand News*, being distributed at the nation-wide meetings. Fifty thousand copies of a pocket-size leaflet already have been made available to salesmen for distribution to their customers and prospects. Five thousand 11 by 14 display cards were in the hands of branch office executives and dealers before the first broadcast started.

Other media also are helping to increase the weekly audience of the "March of Time." The Columbia Broadcasting System, which broadcast the series as a sustaining feature at popular request a couple of seasons when *Time* was unwilling to stand the entire expense, carried brief announcements of it intermittently throughout the week before the present series started. Remington Rand's regular magazine and newspaper advertisements each carry a slug on the "March of Time." Newspaper advertisements of the program itself are appearing in all the 32 cities.

"Sales talks," tied in with the news continuity, will be made briefly at the start, middle and end of each half-hour program. RR divisions usually will be rotated, to insure them all equal promotion, but emphasis will be given those which fit in best with the week's news.

Chicago and Washington Hotel Business Thrives

Evidence of the extent to which the Fair and improving general conditions have stimulated business in Chicago is shown in an analysis in the current issue of the *Horwath Hotel Accountant*. The total rooms and restaurant sales of Chicago hotels in August were 145 per cent larger than in August, 1932, the restaurant sales improving slightly more than the rooms.

NRA visitors in Washington accounted in part for an increase of 30 per cent in hotel sales there. The business in other sections of the country, however, was below that of August, 1932—ranging from declines of 1 per cent in New York, and 2 in Cleveland and Detroit, to 17 per cent in California.

Kalamazoo Introduces Pie Tape Parchment

To overcome the difficulty in making berry pies of keeping the juice in the pies and out of the oven, and to sell more cookery parchment, the Kalamazoo Vegetable Parchment Company introduces "pie tape."

Made of cookery parchment, crinkled and cut into strips, this smallest item in the company's line "has created more genuine interest at our exhibit at A Century of Progress than all the others put together," reports Glenn Stewart, advertising manager.



On With Premiums

The Alpine Milk Company, of San Francisco, tells newspaper readers that its NRA membership doesn't stop it from continuing a long-established practice of exchanging merchandise premiums for milk labels. An official of NRA informed the editor of *Premium Practice* that the government would not interfere with premiums except to guard against their improper use in connection with lotteries, secret price concessions, and fraud.

Sales Letters

BY MAXWELL DROKE

O.K. on Humor in Letters —if It Isn't Forced

A number of readers have apparently jumped to the conclusion, from my recent comment, that I am unalterably opposed to the use of anecdotes in letters. But that isn't the case. I could cite many instances where just the right anecdote, used in the right way, has scored a bull's-eye for the writer. My boisterous baritone is raised solely against the extraneous story, obviously dragged in by the heels, because the writer feels that he must do something to "attract attention." Perhaps the comment of a rather well-known after-dinner speaker might be apropos of this situation. I once asked this gentleman how he selected his jokes. "I never search for a story," he replied. "If a situation brings an apt anecdote to mind, why I take what the gods bestow, but I find that every time I go through the funny papers and take a joke by 'search and seizure,' it falls flat."



Maxwell Droke

These tired old eyes have long sought the solace of a really new idea in trade journal layout and typography. It comes now in a portfolio from the house of Dennison, reproducing a series of page advertisements from the magazine, *Modern Packaging*. These are built around the theme, "What's New This Month with Dennison?" The pages are made up in "editorial style," unmarred by blatant logotypes, and liberally sparkled with photographic illustrations of merchandise and containers, for which Dennison provided labels, seals, etc.

16% Returns in 10 Days! Simple Directness Wins Again

Now comes another entry in our collection of Remarkable Returns—letters that are actually producing right here and now in terribly tough old "Thirty-Three." This time Eliot L. Wight, advertising manager of United States Envelope Company, sends me the following communication, sent to a list of four thousand large mail users:

"We have recently prepared—and are offering to those who care to request it—a most valuable portfolio of unusual mailing suggestions. The enclosed slip describes the unique form of this portfolio and the out-of-the-ordinary mailing ideas it contains.

"We are more than glad to send it without charge to mail advertisers and sellers who can use to advantage the ideas it presents—and who can visualize its value sufficiently to request a copy. But

Standing Invitation

Mr. Droke is always glad to criticize sales letters and direct mail messages for our subscribers. There is no cost or obligation for this service. Address him in care of SALES MANAGEMENT, enclosing a stamped, addressed envelope.

frankly, because this portfolio represents quite an investment of time and money on our part, we are distributing it only when asked for.

"Just read the slip and note the illustrations of the portfolio.

"Then, if you believe it may furnish new ideas adaptable to your mail selling and advertising work, just send along the enclosed prepaid envelope with your signature and the name of the paper merchant with whom you usually deal. The portfolio will reach you promptly."

Ten days after this letter was mailed (third class, filled-in-address, window envelope) Mr. Wight wrote me that returns had mounted to 16 per cent, with more requests coming in every mail. Incidentally, this new portfolio is well worth the attention of any direct-mail user. I am sure Mr. Wight would be glad to send you a copy. Just address him in care of United States Envelope Company, Springfield, Massachusetts, and, since the portfolio is distributed through jobbers, be sure to give the name of your paper merchant.

Slipshod Answers to Inquiries A Sure Way to Lose Sales

I recently spent a week-end on an Indiana farm, and among other things my rural friend discussed with me certain of his mail-order experiences. This farmer is not a professional advertisement hound. He is far too busy for that. But rather frequently he does have occasion to answer announcements in his favorite farm journal, or in a magazine of general circulation. And his pet peeve is the slipshod manner in which these inquiries are answered by the advertisers. On this point he talks with deep emotion and expressive gestures. It is quite a common thing, he assures me, to wait two weeks or longer for a response to his inquiry. Not infrequently the requested catalog or booklet never shows up. Though he uses a printed letterhead, his name is, more often than not, grotesquely mangled. His specific questions are almost invariably ignored, and he receives merely a stereotyped form that inadequately covers the points on which he has expressed interest. But most of all, apparently, he resents that interminable delay. When he inquires about patented roofing, poultry netting or tractors, he wants the information served to him without undue delay.

This case, I fear, is rather typical. Of course I am well aware that there are

times when an abnormal volume of inquiries occasions some delay. But I for one have never been able to see why the general run of inquiries cannot be handled within 48 hours at the outside. The all too common practice of letting inquiries accumulate until someone can get around to the matter of addressing a batch of labels or envelopes is a costly and often disastrous procedure.

* * *

Do you issue one or more house organs? And would you be interested in joining a small group, to exchange ideas, contributions, etc., with the thought that perhaps out of this movement may emerge a National Association of House Organ Editors? One of my correspondents—Mr. Walter W. Smith, of Keystone View Company, Meadville, Pennsylvania—has suggested such a plan. If you are interested, Mr. Smith will, I am sure, be glad to hear from you.

Letter Humor Exonerated in a Dun with a Smile

Apropos of the first paragraph on this page, I have always been a staunch advocate of humor in collection letters—that is, under certain conditions and within reasonable limitations. It is never a pleasant task to ask for money, and often a touch of friendly humor will serve to unlimber an apparently paralyzed check-writing arm. Among the skillful and consistent users of humor in collecting money one must mention Charles F. Kuder, credit manager of Schuylkill Valley Mills. I want to share with you one of his recent creations, known as the "Richard" letter:

"In a certain town in Connecticut, the story goes, a deacon of the church was having his own troubles soliciting subscriptions for a certain charity. The townspeople just wouldn't contribute.

"Approaching one of them, the deacon said, 'Richard, you ought to give something to this cause.'

"'Sorry,' answered Richard, 'but I just can't do it, Deacon.'

"'Why not; it's a good cause.'

"'Yes, it's a good enough cause, all right, but I owe too much money.'

"'But, Richard, you owe a bigger debt to the Lord than to anyone else.'

"'Yeah, I know,' drawled Richard, 'but the Lord ain't been pushin' me.'

"'We would dislike to think that you were like Richard—that you were overlooking your obligation to us, just because we 'ain't been pushin' you.'

"'Please mail us a check today to settle your \$96.73 overdue account.'

* * *

Our Sales Letter Round Table is fairly groaning under the weight of good dope that is arriving from subscribers in every mail. This material is now being sorted and edited. The first batch will soon be on its way to all members in good standing. If you have not yet subscribed, better not delay any longer. One new idea will well repay you for a full year's subscription.

Media Executives, Despite Repeal, Disagree on Carrying Liquor Ads

(Continued from page 403)

McCall's also answers a general "no." Policies on its *Red Book* and *Blue Book*, however, have not yet been worked out.

Believing that the decision "ultimately rests with our housewife readers," Tower Magazines, sold through the Woolworth stores, have sent a questionnaire to a "good cross-section of our readers, asking their opinions on the acceptance of wines and liquors." Though answers are not yet in, an executive of this group mentions that on a similar study of 1,000 readers, last spring, 83 per cent were "complacent about beer advertising" in these magazines.

The Quality Group of six magazines has not yet reached a uniform decision and probably will not be able to. The *Forum* and *Harper's* will carry liquor advertising, though, and probably some of the others.

The quite dry attitude of President Lee Maxwell of Crowell contrasts with that of his brother Clair, publisher of *Life*. Among the magazines, *Life* has been probably the most energetic advocate of repeal. These efforts will be brought to a climax with the publication of a special Repeal Number in December, which will carry a lot of liquor advertising. *Fortune* in that month also will run special liquor articles and advertising.

Among the five large general weeklies, the division is about even, with *Collier's* and *Saturday Evening Post* not carrying hard liquor advertising, *Liberty* and *Time* carrying it, and *Literary Digest* not yet decided.

The "class" magazines of the Stuyvesant and Conde Nast groups are definitely wet. L. Weaver, Stuyvesant president, says that *Harper's Bazaar*, *Town & Country* and *Home & Field* will "take all the liquor advertising they can get . . . and the bigger the order the better!" An executive of Conde Nast emphasizes that "we shall run liquor advertising for *Vanity Fair*, *Vogue*, *American Golfer*, *House & Garden* and *Vogue Pattern Book*, but only when it is legal to publish them." He doesn't expect much liquor advertising for the *Pattern Book*.

The Chicago *Tribune*, one of the staunchest advocates of repeal, will not carry liquor advertising, Robert R. McCormick, president, tells SM, but will carry wine and beer advertising. Perhaps the *Tribune's* partly rural circulation over a half-dozen middle western states has something to do

with this. At any rate, its sister paper, the New York *Daily News*, will carry all types of liquor advertising.

When 3.2 was first made available last spring, Frank Gannett, active dry and president of a chain of 14 newspapers, said that his group would not carry beer advertising. Later this policy was modified to permit the local managers to make their own decisions. However, "no Gannett newspaper will carry liquor advertising after repeal," reports Frank E. Tripp, general manager, to SM. On the other hand, J. David Stern, publisher of the Philadelphia *Record* and the Camden *Evening Courier and Morning Post*, points out that, though "these newspapers have all been for repeal, even if they were dry I would consider it stretching the editorial prerogative to rule out a particular line of business from my advertising columns."

Some Stem "Desire"

One group of New England newspapers, which requested that its name be left out, explains that "our present tendency is toward the policy of carrying strictly brand advertising, but eliminating all copy which might carry a desire-creating appeal." Another New England newspaper, the Worcester *Telegram-Gazette*, is not carrying liquor advertising now, but plans to reconsider when repeal comes.

The suggestion that publishers who refuse to carry liquor advertising are lacking in patriotism, if not actually in sense, was heard from one or two quarters. A. H. Marchant of the Boston *Post* could "see no good reason for refusing to publish it, when our government authorizes and licenses its manufacture for sale. Even during Prohibition, the medical fraternity prescribed its use as a health promoter. It is sold and used in every country in the world, in one form or another. Why should it be taboo here?" And O. J. Elder of the Macfadden Publications adds that the "will of the people" having been expressed in favor of repeal in recent months, "we can find no good reason for denying to reputable manufacturers of wines and liquors the privilege, if they so desire, of advertising their products in our publications, providing that advertising is temperate and in good taste." Mr. Elder excepted, however, *Physical Culture*, "where acceptance would not be in keeping with editorial content."

Though various executives, like Louis Wiley, business manager of the New York *Times*, emphasized the importance of censoring liquor advertising, some would extend "censorship" so far as to exclude it entirely. John Cowles, associate publisher of that influential paper of the "corn belt," the Des Moines *Register and Tribune*, says that the decision not to accept any kind of liquor advertising is "due to our conviction that our paper will produce better results for advertisers if we exercise a rigid censorship of the type of advertising that we will accept, and exclude everything that even a substantial minority of our readers finds objectionable."

The Kansas City *Star*, also prominent in the "corn belt," explains its rejection of this advertising somewhat differently: Knowing the "value of advertising in promotion of sales," the *Star* "recognizes the evils of such liquor advertising as is legally permitted and practiced in the Canadian province of Quebec, where expectant mothers are told that liquor will be helpful to them and to the children to be born, where liquor is held up alluringly to young boys and girls as a health and body builder, where it is flaunted as a panacea for almost every known disease and where newspapers, for the sake of profits, are tempted into accepting all sorts of liquor advertising calculated only to promote sales and consumption by the people.

"The one central purpose of a new system of dealing with liquor in Missouri and the United States should be to discourage sales and use, rather than to promote both."

Some publications in the prairie states, however, appear to be dry chiefly because it is still illegal there to be otherwise. Pointing out that Kansas has been "bone dry for 25 years . . . and has not yet voted on repeal of the Eighteenth Amendment," A. T. Butler, national advertising manager of the Wichita *Beacon*, adds that the question of carrying liquor advertising legally must wait. "In the meantime we are accepting beer advertising, which so far has been local as both state and city officials are permitting it" to be sold there.

Certain southern newspapers may experience more difficulty in carrying liquor advertising than the northern because of the fact that their areas have long been regarded as dry. The Georgia state prohibition law will still be effective after the repeal of the Eighteenth Amendment, indicates Clark Howell, Jr., business manager of the Atlanta *Constitution*. Prior to Prohibition the Dallas *News* had a

(Continued on page 427)

"WHAT LUCK!

You're just the man
I wanted to see!"



At The ROOSEVELT,

meetings like this are an everyday occurrence—you do meet the men you "wanted to see." It isn't luck—it's simply that the men and women of your world naturally stop at the Roosevelt. They appreciate value, in hotel service as in everything else. And the Roosevelt is New York's best value—the least expensive finer hotel.

Rooms now  from \$4.00

The ROOSEVELT

Edward C. Fogg, Managing Director
Madison Ave. and 45 St., NEW YORK
A UNITED HOTEL

Pabco's Mutual Dealer Help Plan Improves Merchandising Attack

A merchandising plan, in which manufacturer and dealers trade on the basis of 100 per cent cooperation from both sides, inaugurated in June of this year by the Paraffine Companies, Inc., San Francisco, is proving to be the "most successful" the company has ever followed.

The manufacturer agrees to give a full year's merchandising program, involving a special promotion plan for each month in the year, with all necessary dealer help materials, to every dealer who will guarantee to carry the Pabco line exclusively and who will purchase during the year in question at least 700 rolls of six Pabco products, including roll roofings, shingles, Pabcotite, and other products. The dealer also agrees to follow the month-to-month merchandising plan as built up by the Paraffine Companies "without sidetracking it or neglecting any of the details."

Dealers who do not wish to enter into such a pledge may subscribe to the plan by agreeing to pay a fee of \$40, with the understanding that if they buy the required minimum, the charge will be canceled.

Of this "controlled" system for distributing dealer helps, A. B. Mueller, Pabco advertising manager, says: "We have gone through various stages in the distribution of helps, at one time having followed a rather free and easy method. At that time we had a great variety of dealer helps of all types and we sent them out in any quantities requested."

"In 1929 we decided to come to our senses, regardless of our competitors. At this point we reached what might be called the 'hard-boiled' stage. We cut down requests for supplies. We apparently didn't suffer very greatly through this policy on the strength of the argument that the more we could cut down our expense in dealer helps, the more we could invest in more effective consumer advertising."

"We followed this policy for quite a while and still we were not satisfied. Finally we hit upon the 'control' plan. This might be called the 'frank and honest' system. We simply pointed out to the trade that the dealer helps we were supplying were costly, were definitely related to our sales promotion efforts as a whole and could not be distributed promiscuously."

"We emphasized that to dealers who would pledge complete support—would agree to do a certain speci-

fied job—we could be quite liberal and give our whole-hearted support, a support far exceeding that which had been offered in the free and easy days."

"Our story was, and is, that only through such cooperation on the dealer's part was this effort of ours made possible. If we ask a dealer to buy a required minimum over a year's time, we were frank in saying that this minimum was necessary to defray all or part of the cost of the helps we were offering. In addition, the required minimum purchase by the dealer was an absolute prerequisite to his successful operation of any plan we offered. If he didn't have the necessary goods on hand, he couldn't successfully follow our program."

"This plan has been in operation for a good part of the present year and is without question the most successful we have ever followed. It has 'taken' with both the trade and with our own salesmen. The latter in particular have entered into our campaigns more actively and enthusiastically than ever before."

"This cooperation, of course, was not the result of our being frank and honest about a mere collection of dealer helps, but a result of the fact that these were part of a definite merchandising program."



Order Approved: When a newspaper buys two Wood sextuple presses at \$150,000, it's good news to Massachusetts Governor Ely. Here he is (right) reading the first announcement in the Boston *Daily Record*. With the Governor are John T. Cushing, publisher (left) and Ernest Hoftyzer, advertising director.

Premiums and Sales Contests

BY R. E. SMALLWOOD

Premiums for Children

Current premium offers, in addition to increasing sales, must be making life more interesting for thousands of small boys and girls. Theirs is the choice among numerous appealing articles, and all that's required is to persuade mother to use a certain brand of soap, flour, cookies, cereal, etc. Here are just a few of the more recent offers:

Orphan Annie Mug: The Wander Company stepped up its sales by offering a free Orphan Annie Shake-Up Mug with the purchase of any size can of Ovaltine. The offer was featured in Sunday comic sections of newspapers. All the customer had to do to get a free Orphan Annie Shake-Up Mug was to send in the small aluminum disk found in the top of each can of Ovaltine.

Pegasus Hats: The General Petroleum Corporation of California gave a Pegasus hat free to any boy or girl who brought father or mother into one of its service stations. Backed by newspaper and radio advertising, the offer was an outstanding success.

Football versus School Tablets: The Perfection Biscuit Company, Fort Wayne, Indiana, offered the young consumer the choice between a rubber football and a school tablet. The boys went for the footballs in a big way, and enough of the girls wanted tablets to make the complete offer a success. These low-cost items were sold to dealers at cost and were offered by them as a combination sale.

Cereal Spoons in Color: A free premium offer of children's cereal spoons in orange, green and yellow beetleware is being made by General Foods, makers of Grape-Nuts Flakes. With every case of Grape-Nuts Flakes, 24 spoons are packed in a counter display, one spoon to every package, together with a price poster for the dealer's window. This self-merchandising feature—delivery of premium with merchandise, rather than distribution by retail sales force—effects a much closer tie-up between the premium offer in the dealer's store and the newspaper advertising announcing the premium.

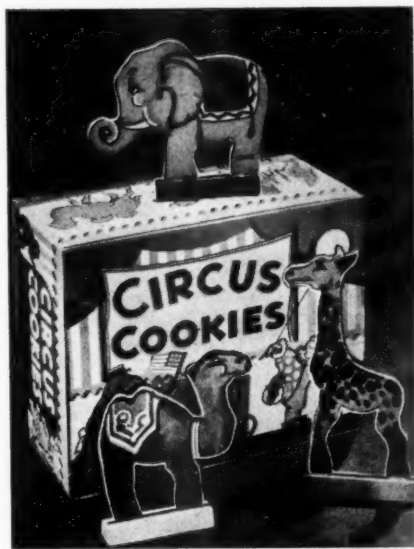
Animal Cut-Outs: Richmond Baking Company, Richmond, Indiana, packed a series of ten animal cut-outs in its specially named package, Circus Cookies. An intense interest on the part of children naturally was expected, but the company was unprepared for the enthusiasm with which it was greeted at food shows and cooking schools.

Par-T-Masks: Einson-Freeman Company's Par-T-Masks have provided the incentive necessary to the success of a number of premium offers to children. Health Products Company offered a mask of Babe Ruth, free, with the purchase of Feenamint. The Quaker Oats Company is giving a mask of the famous Mickey Mouse, or his equally famous consort, Minnie, with the purchase of one package of Quaker Crackers.

A One-Ring Circus: Carlo the Clown, doing a serious, businesslike job for Carnation Company, Seattle, Washington, asked

every boy and girl to mail in one package top of Pearls of Wheat cereal. In return, he forwarded, free, twelve pieces to equip a circus—character masks, animal masks, signs and instructions on how to build a real circus in your home. Newspaper advertising contributed much to the success of the campaign.

These are but a few of the recent premium offers to children. However, if yours is a product which is purchased by housewives, the influence of youngsters should be considered. Many a carload of gum is being sold through the free offer of an inexpensive item for children. Only



yesterday a friend interrupted a noontime stroll to the restaurant in order to mail a bulky letter to the Goudey Gum Company. For weeks his nine-year-old son had been conscientiously collecting fifty wrappers from penny sticks of Goudey Company gum. As a reward, he will receive a handsome group picture of the New York Giants. A peculiar thing is that the boy, because of bridge-work, is unable to chew gum. But how he loves these "Jints."

Premiums and the NRA

Many inquiries have reached SALES MANAGEMENT regarding the future of premiums in connection with the NRA. These, perhaps, can best be answered by quoting a portion of a letter from Alvin Brown, Assistant Administrator and Executive Officer of the National Recovery Administration, to Frank H. Waggoner, editor of *Premium Practice*: "It is not the intention of the NRA to interfere with the premium industry further than to approve clauses designed to prevent the improper use of premiums, these being calculated to protect the public against their use in connection with lotteries, secret price concessions, fraud, etc."

A Contest in the NRA Spirit

The Todd Company's "President's 1933 Prosperity Trophy Contest" is unique, not only in that it is based on the NRA slogan, but that the contest itself is designed to help the entire sales force, the little fellow as well as the big-timer—something unusual in contests. In effect, it is a bonus to every salesman who does any kind of job at all, presented in the NRA manner.

The contest opened with a message to salesmen from President Walter L. Todd. We think it's a perfect example of the kind of letter a president should write to his salesman. Space will not permit reproduction, but here is one paragraph.

"There is no make-believe in the 'President's 1933 Prosperity Trophy Contest.' As contestants you are not speed drivers, baseball pitchers, or rough and ready miners. You are real and important members of the President's shock troops, commissioned to defeat depression and fortify prosperity throughout the land. The ball has started to roll. You can do much to accelerate its speed. As salesmen, your part in this nation-saving movement is most important. It is you who will speed General Johnson's 'Spending Campaign' towards success. With effective sales effort, buying, 'spending' so-called, will flourish. With increasing buying, more money for wages will exist, more money for spending again."

In addition to a wide variety of popular articles for home and personal use, a trophy, in the form of a handsome statuette, will be awarded the zone office achieving the highest percentage of its zone quota. At the base of the trophy there is a plate which will be suitably inscribed to do honor to every man who does his part in the contest.

Promoted with special messages and weekly bulletins, the contest—although recently inaugurated—already has brought expressions of intense interest from a great many of the 400 Todd salesmen. A letter to the Sales Promotion Department, the Todd Company, Rochester, New York, will, we are sure, bring complete details to any interested reader.

Stomach Outpulls Eyes Seventeen Times

Dioramas about yeast for health and dated coffee delivery systems, with a few mural paintings thrown in, Standard Brands thought last spring, would be an effective bit of promotion at A Century of Progress.

But only 2,000 of the 50,000 people who visited the fair daily, it was found, spent any time viewing them.

So Standard Brands built a circular bar in the center of the display, around an exhibit of its products, and served Chase & Sanborn's coffee or tea, iced or hot, with wafers and without charge. Daily attendance climbed to 35,000. Eight young women were required to wait on them. And each person spent several minutes studying the dioramas.



THEY ALWAYS COME BACK

FOR MORE



PERHAPS it's the sea they like. (But, after all, there's a lot of coastline in the world.) Perhaps they like the diversions . . . golf, riding, health baths. . . . But many hotels share these, or similar advantages.

We like to believe what our guests often tell us . . . that here they find the friendly concern for their comfort that assures a delightful visit. We spend a great deal of thought on such things and try our best to make them come true.

May we suggest that you invest in a few days of pleasure, and discover Chalfonte-Haddon Hall for yourself? Economical rates. Write for them. American and European Plans.

CHALFONTE- HADDON HALL

ATLANTIC CITY

Leeds and Lippincott Company

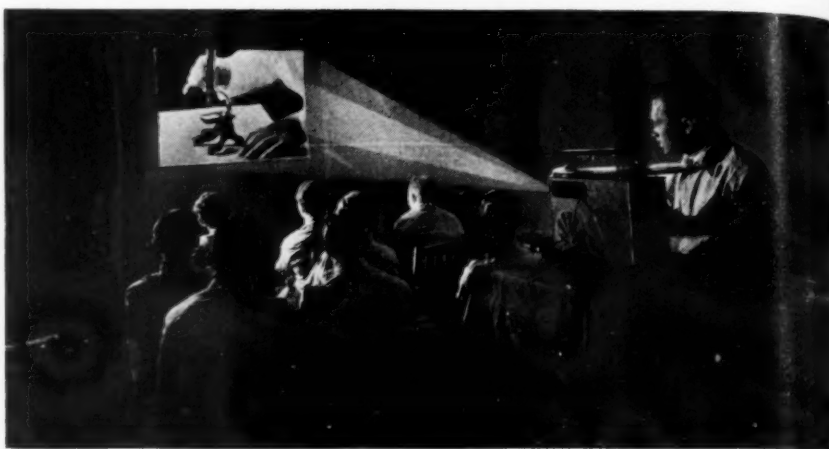


Photo courtesy Visomatic, Inc.
Still-films-with-sound equipment is used to train the Standard Brands route men.

Standard Brands Trains Route Men through Film Program

IN an effort to standardize sales procedure, and to eliminate changes in the sales story in the interim between its conception in the executive office and the time when it is finally handed down to the route salesman, Standard Brands, Inc., has embarked on an elaborate program of still-films-with-sound. This program will number almost 20 one-reel pictures by the end of the year.

The films are shown to all Standard Brands route men by members of the grocery merchandising department, usually at evening meetings of the men before the drive on a particular product begins. These drives, conceived as a means of balancing the company's efforts on the many products in their line, are suited to the season. About ten days before any drive commences, the local agencies, operating under divisional offices, arrange for meetings of the route men. To these meetings comes the grocery merchandising manager with the film, which consists of forty still frames with the accompanying message on a record.

The merchandising manager shows the film through once with sound. Then he distributes the drive plan folder, which gives the highlights of the drive and contains illustrations of the window posters and counter display cards to be used. Next he goes through the film again—this time without sound—and discusses it point by point, inviting the route men to ask questions. Following this second impression of the message, the meeting is devoted to discussion of local business problems. If there is still

time left, the film is shown for a third time, again with sound.

Standard Brands—operating under divisional offices, which, in turn, may be broken down into from three to fifteen main- and sub-agencies—is thus able to reach its entire sales force with a complete sales message and be assured that all tell the same story. Each division has two or more machines for showing the films, a total of seventy in all. The still-films-with-sound are prepared by the Standard Brands headquarters offices, at a cost not exceeding \$800 each, including picture, voice and incidental expenses.

The drive films have been in use since spring. That they have been successful is shown by the reports from SB divisional headquarters. For instance, in commenting on the Royal baking powder drive film, the Dallas division reported: "This film was enthusiastically viewed by all representatives attending the showing, indicating a greater interest in this than in any previous baking powder drive. Everyone attending seemed to have a much clearer conception of the importance of Royal baking powder. Quotas were set at Dallas and Houston agencies requiring each salesman to secure one jobber's stock order per day on baking powder for the duration of the drive. The San Antonio agency set its quota at an average of one and a half jobber's stock orders per day for the same period." On the Royal chocolate pudding drive this same agency reported that "A great deal of enthusiasm was created for the chocolate pudding 1-cent sale by this film, and all of the personnel

viewing it felt that the drive would be put over successfully."

In the report received from the Buffalo division, mention was made of the baking powder film being shown to an important wholesale buyer, with the result that Standard Brands secured considerable business from him. In many divisions wholesalers and chain store customers were shown the films. From the Cincinnati agency came the encouraging report that the showing of the Royal baking powder drive film resulted in 223 retail orders during February. In this same agency the "Yeast for Health" film was shown, with outstanding success, to the executives of a large grocery chain. The Louisville agency made the following comment: "All very much interested and impressed by this system. Will have more effect than just the reading of a letter stating plan and advertising material that is attached to the plan."



Radio's version of the salesman

"Supersalesman" Sells Plymouths on Radio

Plymouth motor car salesmen have a mark to shoot at in the exploits of Elmer Everett Yess, "the man who won't take no for an answer," in his recently introduced thrice-a-week radio exploits over 67 CBS stations, and listeners, incidentally, hear a lot about the advantages of Plymouth cars that could not otherwise be legitimately included.

Portrayal by Hal Dawson, veteran of the stage, Mr. Yess sells himself into a job with a Plymouth dealer, in the first sketch, by selling a Plymouth to the dealer's wife.

In Miami Beach its

The Fleetwood

Opening for the Winter Season
January first. European Plan.

An Exclusive Winter Resort Hotel, on Biscayne Bay, with Ocean Bathing, a Private Dock and every facility for the comfort and entertainment of its exclusive and discriminating clientele.

Rates Double from \$8.00 to \$20.00 per day.
A la carte service and Fixed Price Meals.



THOMAS CAGWIN
Resident Manager

Other DeWitt Operated Hotels include:

In Cleveland Its
THE HOLLENDEN
In Chicago Its
THE LASALLE
In Columbus Its
THE NEIL HOUSE
In Akron Its
THE MAYFLOWER

FENWAY HALL,
Cleveland's High Class
Residential Hotel is,
also under
DeWitt
Management.



BARGAINS IN LUXURY



For as little as \$3.00 a day you can enjoy the luxury and Minute Man Service of this famous hotel. Located in the smart Grand Central Zone, one block from Park Avenue. Restaurant prices are amazingly economical, too—luncheon 65c and dinner with dancing, \$1.00, in the cool, carefully conditioned air of the Silver Grill.

HOTEL LEXINGTON

48TH AND LEXINGTON AVENUE • NEW YORK
Under Ralph Hitz Direction • Chas. E. Rochester, Manager

Other Hotels under Ralph Hitz Direction: Book-Cadillac, Detroit;
Netherland-Plaza, Cincinnati; Ritz-Carlton, Atlantic City; Van Cleve, Dayton

The "Sales Letter Round Table"

is now in operation. Are you a member? If not, drop a line to SALES MANAGEMENT for particulars. The first set of letters will go out to "sitters-in" October 23.



**Have you a pot of gold
in the backyard
of your business?**

The coupon below is of unusual value. For it brings to you for 10 days, without cost or obligation, the answer to the most urgent question in business today—"How can we sell more goods at a profit?"

THE CONSUMER

By WALTER B. PITKIN

421 pages, 6 x 9, \$4.00

What is the most outstanding fact of these past four years of depression and lost business? Not the fallacies of the prophets, nor the influence of war debts and tariffs. BUT THE ABYSMAL IGNORANCE OF THEIR OWN MARKETS SHOWN BY EVERY CLASS OF BUSINESS EXECUTIVE. There is just one important thing in business—the consumer. Just one purpose, one reason for its being—to supply the WANTS of the consumer at a profit.

The way to profit in the days to come lies not in mass production, nor in making the individual conform to the herd, but in studying the real wants of individuals. And that path to profit is charted for you in *The Consumer*. It is here, clearly and graphically, a record of life as it is lived. It will enable many a business to laugh at periods of depression—will help thousands of executives to establish themselves firmly—in the years to come.

"Every business executive worthy of his title should read this book," Lee H. Bristol. "The liveliest, most interesting study of the consumer yet made," *Printer's Ink*. "The best of the type I have ever seen. A good advertising man could quote parts of it verbatim at every solicitation he makes," Stuart Cowan.

See it on approval. Send the coupon.

McGraw-Hill Book Co., Inc.,
330 W. 42nd St., N. Y. C.

Send me Pitkin's *The Consumer* for 10 days' examination on approval. In 10 days I will send \$4.00, plus few cents postage and delivery or return book postpaid. (We pay postage on orders accompanied by remittance.)

Name

Address

City and State

Position

Company SM 10-20-33

(Books sent on approval in U. S. and Canada only)

Standard Oil and Shell, Long Rivals, Go Home to Roost Together

Probably with the band playing "Dear Old Pal of Mine," Shell Union Oil Corporation and a flock of subsidiaries will move into the new seventy-story RCA building in Rockefeller Center in December. They will be under the same roof as the Standard Oil Company of New Jersey, Socony-Vacuum Corporation and John D. Rockefeller, Jr., himself. And they will contribute some \$5,500,000 for rent annually to help Mr. Rockefeller pay the charges on his \$250,000,000 project.

Of course, these terms for five full floors in the world's largest building may be fair enough. The building is handsome as well as celebrated, and the view is fine. But old-timers in the oil industry, who have followed the bitter world-wide battle between the British Royal Dutch-Shell interests and Standard Oil for more than a third of a century may see in the move a certain irony.

Or perhaps a certain portent.

With respect to Standard, Sir Henri Deterding of Shell has said that he is "always ready for a good fight." Only a few years ago, after the Soviet Government had transferred a concession which Shell had had from the late Tsar to the Standard of New York and Vacuum companies, was not Sir Henri roundly damning them for buying "stolen oil?"

But time heals many things, and necessity makes strange bedfellows.

True, the two groups will not be much closer than they were downtown when Shell-Union's headquarters, at 65 Broadway, were next door to Vacuum's, at 61, and the Standards of New Jersey and New York, and Mr. Rockefeller were across the street, at 26, but the relationship now is more than one of proximity. It is partly one of service.

And there is always the possibility that the relationship may be one of mutual purpose. Together these two groups control much more than half of the world's oil industry. Business, however, has not been so good for either of them of late, and Russia has risen in this period to the position of second largest oil-producing country. England especially has been inundated by a flood of Russian oil. Perhaps each of the two largest capitalistic oil groups are moving in together just to be sure the other is handy.

The French Government once went so far as to accuse Standard and Shell jointly of being a "world oil trust."

The Spot-Light on Washington

(Continued from page 400)

will be a new deal for trade outlets. The relationship to manufacturers of department stores, chains, mail-order and independent outlets will be reopened on a fresh basis of cooperative possibilities.

The Price Provisions

The many conflicting elements are still playing football with the "stop loss" provisions of the general retail code and individual industry codes as we go to press, and it is reported that NRA officials are inclined to throw up their hands in despair of ever working out a plan which will protect mutually the interests of producers, manufacturers, distributors and consumers. The A. A. A. crowd fights any minimum price plans unless the farmer also gets price protection on the stuff he sells; the Consumers' Advisory Board has looked with suspicion on all price-fixing plans in codes submitted to date. A plan said to be sponsored by price-cutters would allow any retailer to sell at any price he chose, provided that if he sold at less than invoice price plus 10 per cent he must sell to any or all of his competitors at the price advertised or otherwise offered. As Jim True points out, the advertising of cut prices does infinitely more injury to orderly distribution than the actual sale of the cut-price goods.

Allen Rucker, writing to the Industrial Advisory Board in behalf of certain of his clients, urges that a maximum mark-up plan be adopted rather than a "stop loss" provision. He argues that the latter plan would make the big distributors play one manufacturer against another so as to reduce initial costs, and that the result would be continued price-cutting by the large units in staples and nationally advertised brands, but with increased mark-ups on other merchandise. Instead of a prohibition against price-cutting, he urges a maximum mark-up on all merchandise, not to exceed certain percentages of the retail selling price, such as 40 per cent to department stores, 25 per cent to grocery stores, and so on, and says this would prevent the present high margins on blind merchandise and would retard the endeavors of retailers to compel price concessions from manufacturers, for with a fixed maximum mark-up the dollar profit margin would decline with a decline in cost.

Shifting Markets, under NRA, Demand New Sales Approaches

SM Looks and Listens at Direct Mail Convention

"Millions of workers, mainly those in the lower brackets, will soon be receiving a higher wage than ever before," said Major A. E. Onthank, chief of the NRA control division, Washington, before the convention of the Direct Mail Advertising Association in Chicago. He added:

"There will be a shifting of the values of markets; remarkable changes of the purchasing power of sections; greater spread of 'happiness products' among poorer-paid classes.

"Already the return of 2,500,000 men and women to employment has increased the nation's purchasing power \$2,000,000,000 a year."

To profit from this new market, however, Major Onthank explained, there must be new sales approaches. Much advertising copy will have to be rewritten. "One-syllable words may become more popular. . . . Professional groups will be delayed in their return to purchasing power; the wealthy classes will be last of all."

Salesman's Three-hour Day

Douglas E. MacVannel, sales and advertising manager, Holeproof Hosiery Company, of Canada, Ltd.:

"A salesman works from 9:30 to 5:30 with an hour or an hour and a half for lunch. There are usually five hours a day in which active selling may be counted on.

"A very conservative estimate will show that 50 per cent of his time is actually wasted waiting for appointments, waiting for the man ahead to finish his talk, and in going from place to place.

"Therefore we can safely count on only two or three hours of actual selling in the average salesman's day. Now a company whose sales run \$1,000,000 a year, well, just imagine if you will, the highly concentrated effort to produce sufficient business so that the company may profit."

"Buy?" "You Flatter Me!"

Edgar Kobak, vice-president of McGraw-Hill Publishing Company:

"Don't hesitate to ask a man to buy. Don't approach him apologetically. When you ask a man to buy anything you are complimenting him. The other day a negro complimented me highly. He asked me if I wanted to hire a chauffeur."

Twelve Million Mailing Pieces!

Frank R. Pierce, sales manager, Frigidaire Corporation:

"This year we have mailed from our factory approximately 2,000,000 pieces of direct mail. We have handled as many as 40,000 direct mail pieces in a day. We have twenty-five machines with as many as 55 employees and, at such times as Christmas, employ three shifts. Ten per cent of our appropriation goes to direct mail. In addition, we provided close to 10,000,000 pieces for our field organization. The cost is shared by dealer, distributor and factory, usually on a basis of 50 per cent by the factory, 25 per cent by dealer and 25 per cent by distributor."

New Wrinkles

New at this convention: The Multilith. Two models, top \$1,400; simplified office lithography; for letters, bulletins, instruction sheets, forms and a wide range of other lithographic work. Brand new process, offset, on thin zinc sheets which bend around a drum. Up to 5,000 an hour. They say, "any girl can do it." Newest baby of Addressograph-Multigraph Corporation.

Dermaprint stencils for mimeograph reproduction of photographs. A sensitized stencil is used and results appear much like halftones. Line drawings reproduce with clarity. The service includes wide range of borders, ornaments, lodge insignia, etc. Offered by A. B. Dick Company.

Also—the first showing of "Markote," a new watermarked coated paper. The watermark shows only when held against a light and a half-tone prints over it without trace of the watermark. For the first time an identification for coated paper stock. Shown by Cantine's, Saugerties, New York.

And—a new mimeograph paper which can be used on both sides in 24-, 28- and 32-pound substance. Previous heaviest 16 and 20. Introduced by Munising Paper Company.

Finally—as an attention getter, the new Dullchrome coated book paper, tinted on one side. Charming effects shown by using accordion folds. By the Appleton Coated Paper Company.

We backed away from the Letter-tosis Clinic. We always avoid Hal and the other Tosises.



"But
are
you
making any
money?"

Is your direct-mail literature producing a satisfactory volume of live, interested inquiries? Are you getting sales by mail at an acceptable cost? Are dealers, jobbers and their sales folk co-operating wholeheartedly with your promotion programs? In brief, **are you making any money?**

If your answer is negative, why not take a positive step? Put your problem up to a seasoned mail-merchandising man; an operator who is getting **profitable** returns right here and now in the Terrible Thirties.

Maxwell Droke will gladly examine your sales material and make constructive preliminary suggestions without cost or obligation to you. Write him at once.

—O—

Already in October, three important groups have booked Maxwell Droke as a speaker. Mr. Droke offers three talks, as follows: (a) "Letters That Build Business"—constructive counsel for correspondents; (b) "The Business of Being a Salesman"—an inspiring talk for sales conventions, and (c) "The Human Race and Other Athletic Events"—humorous philosophy for banquet or other social occasions. Write or telegraph for rates and dates.

MAXWELL DROKE

P O Box 611

Indianapolis, Indiana

Repeal your "old clothes"



Usher in the Fall season with a clean-cut well groomed appearance—and get out of that bugaboo "depression" mood and spirit.

It's what you are—and the spirit with which you work—that will make a success of the NRA and you.

Stride into our establishment with sparkling eyes and a determination to always "look" and act the part of improving business conditions.

If perchance — your present clothes are out of time with the days—your choice of our new Fall and Winter fabrics, and the garments we custom tailor for you, will complete the picture of an aggressive business man actually "doing his part." We'll co-operate on price.

BRyant 9-7495

Shotland & Shotland

....Custom Tailors....

57th FIFTH AVENUE (at 4th Street) NEW YORK CITY

MAILING LISTS

Pave the way to more sales with actual names and addresses of Live prospects.

Get them from the original compilers of basic list information—up to date—accurate—guaranteed.

Tell us about your business. We'll help you find the prospects. No obligation for consultation service.

FREE

60 page Reference Book and Mailing LIST CATALOG

Gives counts and prices on 8,000 lines of business. Shows you how to get special lists by territories and line of business. Auto lists of all kinds. Shows you how to use the mails to sell your products and services. Write today.

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PHOTOGRAPHS

Media and Agencies

Publishing Director

Hugh S. Johnson seems to have started a second part of his public relations program on behalf of the NRA. The first part was to see that a lot of favorable publicity and advertising was given to the program. The second may be to see that nothing unfavorable is said about it.

Regardless of the selfish interests, or just plain cussedness, in some of the criticisms of NRA (and the number of criticisms has been growing lately), various publishers do not welcome General Johnson's apparent determination to tell them what, and especially what not, to say.

Addressing the American Federation of Labor in Washington October 10, the General referred to certain "enemies" of the NRA. "Yesterday," said he, "I heard that a prominent Wall Street journal was going to conduct a survey of small employers for the purpose of demonstrating that the President's Re-employment Agreement was a failure."



James True

"Ghastly Humor"

"I know something about Wall Street," he added. "I used to work there. It has been much maligned and also properly criticized. But the idea of a Wall Street journal going out to demonstrate through the little fellow the fallacy of a great social regeneration is one of the grimmest, ghastliest pieces of humor of all the queer flotsam of our daily work."

There was little doubt in the minds of the worker delegates as to the paper General Johnson was denouncing. Asked, he was unwilling to specify.

But at any rate, the Wall Street Journal printed an editorial on the situation October 12. The Journal "has sent Bernard Kilgore, one of its staff writers" (and usually its Washington observer) "on a survey through New York State to report NRA progress among various elements of the citizenry," the editorial explained. "Some of Mr. Kilgore's dispatches told of satisfactory workings of the NRA; others indicated 'specific disturbances and disequilibrium.' . . . In the same spirit of fact-finding, Mr. Kilgore is soon leaving for the Pacific Coast."

The Journal wondered if General Johnson "objects to a realistic reflection of the facts and desires to suppress it? Can it be that his remarks are in reality a blanket warning to newspapers to refrain from publishing facts unpalatable to the NRA?"

Admitting "great admiration" for the "energy" and "ability" of the General, the Journal "conceives itself as under obligation to its readers to report, accurately and without bias, the operations of all measures which have an effect upon the business structure of the country."

"Tipsters" Barred

But all are not Wall Streeters who criticize, though many are closely related to them. Deciding, October 14, to limit

attendance at his press conferences to representatives of daily newspapers, press associations and recognized business papers, the General "cracked down" on so-called "tipsters" for financial and business interests. W. M. Kiplinger was "called on the carpet," and James True, former head of the Washington bureau of SM, and now editing "Industrial Control Reports," was informed in a letter from the General (dated October 10, the same day as his AFL speech) that because Mr. True's statements in the reports have been "consistently without foundation in fact, and in one case distinctly libelous," Mr. True would "not be welcomed at any more press conferences, and I shall take such other steps as are necessary and within my power."

Replying, Mr. True mentioned that in his "more than twenty years of experience as a correspondent, no one else has ever seriously questioned my accuracy or integrity." He referred to his "constant endeavor" in the reports to "give a truthful account of facts, accompanied by constructive criticism"; and emphasized that the General's decision in his respect would amount to a "most effective censorship in violation of the guarantee of a free press contained in the first amendment of the Constitution," and that "regardless of your letter, I intend to be present at your next press conference, which, I understand, is scheduled for Tuesday, October 17."

Mr. True's "Libel"

The "distinctly libelous" statement which the General is said to have referred to appeared in his reports September 23 and read: "Charges are made and sustained by convincing evidence that men high up in the (NRA) organization are using sinister influence on committees and at hearings in behalf of certain interests."

Mr. True's difference with General Johnson are now reported to have been settled amicably although he was not permitted to attend the Tuesday conference.

E. H. Harris, publisher of the Richmond, Indiana, *Palladium and Item*, and secretary of the American Newspaper Publishers' Association, told the Inland Press Association, meeting in Chicago this week, that the constitutional guarantee of a free press is, under the NRA, in "grave danger" of destruction.

Meanwhile, to convince doubters, the NRA has arranged for every member of the Cabinet to participate in a radio series to summarize progress already made and to support the "Buy Now" movement.

"Conventional Tab"

The belief that tabloids need be neither rollicking nor risqué seems to be growing. A couple of weeks after the New York Evening Post changed from standard to tabloid size (SM, September 15), the three Stackpoles of Harrisburg, Pennsylvania, already prosperous from their 70-year-old *Evening Telegraph* there, started a *Morning Telegraph*, to compete with the *Patriot*, to "instruct and entertain," and "promote the best interests of the Central Pennsylvania field" and the Republican party.

The quotes are from Edward J. Stackpole, Sr. Also concerned are his sons, Edward J., Jr., and Albert J.

Extra Impression

Consumer's Research, that organization of F. J. Schlink and Stuart Chase which tells what is what, and why, among products, has a sort of rival in the Advertising Guide, published monthly by the *Literary Digest*. Started early in 1932 as "one of the advertising accessories or surplus values offered by publishers," the little booklet has obtained an aggregate circulation of more than 1,500,000 copies, at the rate of 100,000 a month. A current booklet is devoted primarily to building materials and home appliances. The Guide, "to educate readers to a better appreciation of advertised products," throughout 1934.

Heads "Housekeeping"

Warren C. Agry has been appointed business manager of *Good Housekeeping*, to succeed David Le Grand Hedges, who died recently. Mr. Agry, advertising manager of the magazine for three years, has been succeeded in that position by E. W. Timmerman, western advertising manager.



Fifty-two years old, Mr. Hedges was connected with *Good Housekeeping* for 22 years, the last 12 as business manager. He was active in organized advertising, and a pioneer in truth-in-advertising work.

Male Magazine

Though circulated primarily through some 850 men's shops and 150 men's departments of department stores, *Esquire*, which made its quarterly debut with 125,000 copies October 17, carries no men's clothing advertisements. Included in the 15 advertising pages in the first issue are such manly products, however, as Cadillac cars, Budweiser beer and Rolls razors.

The 116 pages of "reader material"—40 of them in color—also are intended to promote the Institution of Manhood. The contributors include such virile individuals as William McFee, John Dos Passos, Ernest Hemingway, Nicholas Murray Butler, Bobby Jones, Gene Tunney, Charley Paddock, William Steig and Harry Hershfield. There is poetry, however—as well as fiction, humor, cartoons and other things.

Virile were the ads, 5 columns by 17 inches, which appeared on that date in 37 newspapers in 36 cities; virile will be the full page in *Time* and in 60 college dailies. Virile also are the window display hook-ups by some 500 men's stores from the rock-ribbed coast of Maine, etc. A number of stores, says William Hobart Weintraub, co-publisher with David A. Smart, also are running ads of their own about *Esquire*. Kennedy's of Boston is an example. So are Wanamaker's, Philadelphia; Marshall Field's, Chicago, Sak's Fifth Avenue.

"We aren't carrying clothing copy—even of products so widely sold as Arrow shirts and Knox hats," Mr. Weintraub explains, "because we don't want to run anything that may conflict with the policies of the individual stores."

But there are 16 pages of editorial material on "what to wear and how to wear it."

Some of the circulation also is through the stands of American News Company. The price is 50 cents; \$1.50 a year.

Arnold Gingrich is editor. The Smart-Weintraub-Gingrich triumvirate, at 40 East Thirty-fourth Street, New York, previously has been heard from with *Apparel Arts* and *Home Furnishing Arts*.

The next issue of *Esquire* will appear in December—timed nicely to be a persuasive influence in man's winter buying. An equally impressive advertising campaign will be run at that time.

"Corn Empire"

Recognizing the importance of corn out there, member newspapers of the Iowa Daily Press Association will publish a special edition in honor of "Corn Empire Day," October 26, in which every phase of this product—including corn and its processing, in photographs—will be discussed.

This year, according to Robert R. O'Brien, president of the association, the day will have special significance, in view of the fact that the 1933 crop will be about 40 per cent more valuable than last year's.

Media Executives Disagree on Carrying Liquor Advertising

(Continued from page 419)

rule against the printing of all advertising of intoxicating liquors, and this rule, says an executive, has not yet been "repealed."

Though the *Richmond News Leader* will take liquor advertising, reports L. A. Gaines, Jr., business manager, it "will not be an instrument through which a dealer or manufacturer may try to influence the people to drink more liquor. We have, therefore, decided to exercise a strict censorship over all copy submitted to us. Speaking broadly, I should say that copy setting forth the merits of a particular brand of liquor would be quite acceptable . . . but it is impossible to

establish any definite rules at this time."

The *News Leader* has worked out a plan to control liquor sales in Virginia. Among other things, the plan would "prevent the return of the saloon," and would "destroy private profit in the sale of alcoholics," through the appointment of a non-partisan board which would license distilleries and breweries and open liquor stores.

"Sound public policy" rather than "immediate financial advantage" is actuating the Los Angeles *Times*, replies Harry Chandler, president and general manager, in resuming a policy adopted before Prohibition of accepting advertising of light wines and beer, but refusing that of so-called hard liquors.

P. E. Ward, president of the *Farm Journal*, Philadelphia, which has objected editorially to liquor for 56 years, finds that "entirely aside from their attitude towards repeal, our former subscribers, as a group, are still fundamentally dry. . . . They would resent the appearance of liquor advertising in the *Farm Journal*."

Even in that reputedly wet city of Milwaukee, the daily *Journal* there will not accept "advertising designed to stimulate the desire for hard liquor," asserts Irwin Maier, advertising manager. However, "advertising purely designed to put over a given brand will be acceptable."

Several publications emphasize that their present decisions, for or against carrying liquor advertising, are by no means final. The amount of liquor that will probably go over the dam in the next few months may cause many to change their viewpoints—depending on how the flood is thought to help or hurt other businesses, and the people as a whole.

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display.

Cash Basis Only. Remittance Must Accompany Order

EXECUTIVES WANTED

SALARIED POSITIONS \$2,500 TO \$25,000. This thoroughly organized advertising service of 23 years' recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated, through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance the moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over \$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N. Y.

POSITIONS WANTED

AVAILABLE WIDELY EXPERIENCED SALES Director—One who works, not a chair warmer; Who knows markets and has had broad experience in co-ordinating jobber-dealer and consumer relations. Handled large forces of salesmen and has extensive acquaintance with distribution—even wagon distributors. Married. Can locate anywhere. Clean history and a notable record for profit-making. Sees the peculiarities of the future markets and offers dependable and live ability. Technically trained and experienced in plant control. Let's meet! Address Box 387, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

TORONTO
MONTREAL
WINNIPEG
LONDON, E.C.

GIBBONS KNOWS CANADA

REGINA
CALGARY
EDMONTON
VANCOUVER

C o m m e n t

WILL NRA WORK? A great many business men are asking "Will NRA work or will it flop?" In conception NRA undertakes to revamp business practice so that henceforth all business, meaning each and every business, will be conducted soundly, ethically and with satisfactory results for all the major factors concerned. Such a conception is, we believe, far too idealistic to be capable of realization on anything like a 100 per cent scale, and particularly so on an overnight basis. Business has never been perfect; it never will be. The frailties of human nature and the ruthlessness of purely natural and economic forces are too potent to permit anything like 100 per cent perfection. . . . The administrative requirements of NRA are obviously beyond the capacity of the relatively few men who have been entrusted with such enormous responsibility. The policing and enforcement of NRA is also a problem of staggering proportions. So what? SALES MANAGEMENT believes NRA is here to stay *for a long time*, far longer than any emergency period, and that the new order resulting from NRA will surely be better than the old one. In other words, NRA can and will succeed when success is measured on a *relative* rather than an *absolute* basis. . . . For those who concur with this viewpoint—and for those who disagree—we should like to add this: While American business is getting used to a new set of rules (no matter what the rules), it is inevitable that there should be a great deal of dislocation, upheaval, injustice and problems of such moment as to affect the very existence of certain businesses. Whether the new rules were good or bad, this would still be the case, and probably perfect rules for business can never be developed. Hence, finding too much fault now and substituting a still newer set of rules can only prolong the dislocations and uncertainties. Business, given reasonable time, can adjust itself *successfully* to almost any set of rules. But if we can't, within reason, stabilize the rules we can never stabilize business itself.

WHAT ABOUT INFLATION? Storms are in the making, with strong winds running into counter winds of like velocity. Opinion is divided. Evidence is contradictory. Definitions vary. Farmers and laborers are clashing. Complacent creditors oppose harassed debtors. Problems of international exchange, of war debts, of imports and of exports, continually rile already troubled waters. Propaganda, representing both sides, keeps bursting forth. . . . Meanwhile, amid all this confusion, President Roosevelt's plans have been kept highly secret. He has been vested with enough power to do almost anything he believes will prove most helpful, but he is biding his time, partially

for domestic reasons, partially, no doubt, because of international considerations. . . . The suspense is getting worse, not only on the national state of mind but also in its practical effects. Capitalists have found workable methods for circumventing the embargo on gold, and capital is being exported in large amounts. Countless decisions relating to the administrative side of individual businesses are being delayed or settled in a gambling spirit. Business men need to know one thing—is the dollar going to buy less or more? They do not need to know all the details about how and when, but they do need to know in what direction the purchasing power of the American dollar is going to be moved through the management of the United States Government. . . . For three years SALES MANAGEMENT has been for reflation through credit expansion. We believe the purchasing power of the dollar belongs at the level where the great bulk of the debt structure of the nation was set up. We believe that banks will never "loosen up" until this reflation is first initiated through direct action of the Government. Paradox or no paradox, we believe also that *the standard of living* of labor and of the so-called white collar class *has always been higher* when the individual dollar bought less than when the individual dollar bought more. But having said this much, we now say that whether we are to have inflation, deflation or stabilization at present levels, it is of vastly greater importance to know what we may expect. Whatever the order of the day is to be, business can adjust itself to that order. But without fundamental order (of one kind or another) as regards monetary policy, there must be much and increasing chaos. . . . We hope President Roosevelt will soon help to stabilize business by stabilizing publicly his own position on this highly vital matter of inflation.

THE NEW CHISELERS: Individual industries on an intra basis and also in cooperation with the Federal Government have been striving to do away with destructive competition, profitless selling and labor abuse. Yet with all this reversal of trend in thinking and in action, it looks as if the chiseler and the gyp are still among us and as anxious as ever to steal a march. The broader-minded viewpoint should win out. SALES MANAGEMENT thinks the gyp and the chiseler are going to be tough pacemakers, though we opine increasingly unsuccessful ones. . . . In this connection, we will welcome suggestions from our readers reporting malpractices and possible solutions therefor. We would like to be of some editorial service in crusading against modern types of gyms, chiselers and business racketeers.

Ray Bill